

**Europeanisation of Finnish energy lobbying:
Towards more individualistic, international and competitive
approach**

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Abstract

Following research attempts to find out, first, what has been the effect of European political and economic integration, in terms of the emergence and expansion of EU, to the Finnish energy industry's public affairs management and, second, what are the explaining political, economic and other factors behind the change. The focus of research is placed upon four different aspects of change: (1) changes in the importance and magnitude of lobbying, (2) change in the functioning of policy networks, (3) change in the role of NGOs and public discussion, and (4) changes in the special characteristics of energy sector from the point of view of lobbying. In terms of the time period, the focus of research is 2010-2020 because the findings then adequately build upon the previous literature on the subject. Twelve qualitative interviews with Finnish energy elite constituted the new empirical material of the research. The interview conversations were analysed by contrasting them to the analytical framework consisting of theoretical and empirical parts. The research is going to argue that the importance and magnitude of lobbying has grown in energy sector. Finnish energy industry's PA-management has also become more EU-oriented, systematic and proactive. Although the trade associations form the backbone for Finnish energy lobbying, there is a trend of increasing importance of individual direct lobbying and lobbying via issue-based business coalitions. The policy networks are increasingly competitive, international and flexible. Communication agencies have become important supporting actors in Finnish energy industry's PA-operations. Environmental NGOs have gained increasingly strong foothold in the EU policy process and wide public discussion regarding sustainable development complicates energy lobbying. Overall, the policy networks of Finnish energy industry reflect signs of increasing pluralism and openness. Whereas policy networks in Finland reflect corporatist tendencies, the EU interest representation system is more pluralist, although also elitist in its nature. Each system has their advantages and disadvantages regarding access to policy process and democratic legitimacy of lobbying.

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1. Introduction

Public affairs (PA) management refers to an organisation's coordinated attempt to build and maintain reciprocal relationships to other societal stakeholders such as businesses, NGOs and the state in order to build reputation, find common ground on current issues and influence public policy. The driving motivation behind managing public affairs is to further organisation's self-interest in society. The concept of PA-management comprehends a variety of preparatory and executive tasks such as researching, policy monitoring, event organizing and meeting up with decision-makers. It essentially culminates into lobbying practice conducted by the lobbyist towards the power-holder.

The European Union (EU) has profoundly altered the political, economic and social landscape of European nation-states including Finland. A great deal of policy responsibilities has been transferred from national to supranational level, European internal market has become more integrated than ever before and socio-cultural interaction between the European nations has increased. These transformations do not occur in isolation from the civil society, especially from the national industries. Be the industries active agents that initiate integration processes or passive agents that simply react to integration initiated from elsewhere, they must readjust their operation modes to the environment that surrounds them. Giving that, it seems evident that the abovementioned thorough transformations that European nation-states have experienced also call for the European industries to readjust the way how their public affairs management is done. Understanding these strategic adjustments of industries to the political, economic and cultural transformations in their environment forms the main underlying motivation of this study.

In specific terms, the main objective of this research is to find out what has been the effect of European political and economic integration, in terms of the emergence and expansion of European Union (EU), to the Finnish energy industry's PA-management. This research aims not only to understand *how* PA-management has changed, but also find out *what* are the explaining political, economic and other factors behind the change. The analytical focus is placed on years 2010 - 2020, as the research then adequately builds upon the previous literature. The focus of the research is also on PA-management addressing 'EU affairs', which is understood as the EU issues dealt both at the EU level in Brussels and at the national level in Helsinki. Moreover, four different aspects of change are going to be studied. Those are: (1) changes in the importance and magnitude of lobbying, (2) change in the functioning policy networks, (3) change in the role of NGOs and public discussion, and (4) changes in the special characteristic of energy sector from the point of view of lobbying.

Studying the change of Finnish PA-environment is important, because it enables us to better understand the nature of our democratic society in its totality – its operational logic, its policy actors, its development and even its possible future direction. Currently at least three separate but interrelated

transformations are simultaneously taking place in the sector. First, businesses are becoming increasingly aware of the benefits of PA-management and it is becoming an everyday-practice in political decision-making of modern European democracies. The size and significance of industry has increased both at the EU level decision making processes in Brussels and at the national level in processes taking place in EU member states. In addition to that, the industry keeps evolving and developing in relation to the changes in its environment. Lobbying technics become more sophisticated and effective, while the policy networks undergo changes and new agents penetrate into them. Second, in parallel to the rise of new PA-industry, Finnish corporatist interest representation system has been under transformational pressure since the EU accession. Whereas it has managed to endure in some areas of Finnish society, it has become undermined in others. Developments regarding Finnish corporatism seem to be inalienably linked to European integration. Thirdly, lobbying has become increasingly addressed topic in Finnish academic and public discussion. Public debate about democratic legitimacy of lobbying has increased and sets new pressures and obligations on it. It seems that the long-prevailed secrecy around lobbying is perhaps slowly fading away. Regardless of that, discussing lobbying is still often difficult due to lack of transparency around lobbying practices. To better understand these three interrelated developments, further research on Finnish lobbying is highly welcome.

Studying the development of PA-management especially in the energy sector is particularly topical. Stable and functioning energy infrastructure is the fundamental prerequisite of our modern way of living, yet the abundant utilization of fossil fuel-based energy production is the major cause of global warming. The global community has taken coordinated actions to reduce greenhouse gas emissions by promoting renewable or low-carbon energy sources. Tackling climate change effectively requires almost a complete transformation of the energy sector and the change is already under way. However, strong interests exist in the sector that often collide with each other. The sector is highly capital intensive and path-determined – while new technologies try to make their way to the new mainstream, the status quo is fiercely defended by others. Also, whereas the EU's objective is to build an integrated energy market based on freedom of choice and competition, many member states are sensitive towards the issue and wish to retain national control over their own energy production. While climate and energy related regulation increases, the business environment for energy companies becomes increasingly complicated and the prospects for business more volatile. Yet the change also withholds new opportunities. Myriad of interests exist in the field, and lobbying in favour of those interests is prevalent and fierce.

The research question will be answered by constructing an argument that consists of two main elements: analytical framework and analysis of interviews on the energy elite. The analytical

framework consists of a theoretical part that lays out the essential concepts and theories as well as of a literature review that introduces the empirical background on the research topic.

The theory part of the analytical framework discusses the following topics: democratic legitimacy of public affairs and lobbying, various forms of corporatist interest representation system, policy networks and Europeanisation. Policy network analysis is not a comprehensive theory or research method, but a conceptual approach that helps to analyse interdependencies between the organisations attempting to influence the decision-making procedures. Concept of Europeanisation, relying on rational choice institutionalism, provides an analytical tool to interpret and conceptualise the causal mechanisms behind the transformation of Finnish energy industry's PA-management.

The empirical part of the analytical framework, the literature review, discusses the same themes but on a more practical level. It also strives to observe these matters especially from the point of view of Finland. The structure of the literature review is divided into five smaller thematic sections that logically build upon each other. The first chapter deals with the EU's increased competencies and growing ambitions in energy policy. The second section takes a look at international lobbying industry around the EU institutions in Brussels. The third section describes the development of Finnish consensus culture and corporatist interest representation system. Understanding Finnish corporatism plays a pivotal role in understanding the larger development of interest representation in Finland. The fourth section builds upon the previous one by describing the emergence of a new private PA-industry in Finland. The fifth section, finally, looks at Finnish energy lobbying at national and EU-level. All in all, the theoretical and empirical parts of the analytical framework together form a coherent and concise contextual background against which the interviews will be analysed.

The interviews with the Finnish energy elite constitute the new empirical material on the subject that adds up to the pre-existing literature. Interviews were semi-structured and conducted anonymously between the beginning of January and the end of March 2020. 13 persons representing 12 different organisations were interviewed in total. 6 of the organisations were large or mid-size privately or publicly owned Finnish energy companies, 3 were trade associations, 1 was a PA-consultancy experienced in energy affairs and the 2 remaining ones were the Ministry of Employment and Economic Affairs of Finland and the Energy Authority of Finland. In the interviews the focus was paid on the importance and magnitude of lobbying, on the structure and logics of policy networks, on the role of NGOs and public discussion, and on the special characteristic of the energy sector from the point of view of lobbying. The interviewees were asked to concentrate on the time period between 2010 and 2020 in their answers. The EU renewable energy directives adopted in 2009 and 2018 were often taken as practical starting and reference points in interview conversations, because discussing specific directives helped to concretize and contextualize many of the phenomena related to energy

lobbying. The content of the interviews will first be presented as such and then analysed against the analytical framework.

Methodological approach to analyse the content of interviews is qualitative content analysis. The aim of the interviews was to obtain descriptions of the interviewees' life world phenomena. Descriptions can be treated as information, however, they cannot be taken as face value. Instead, their meaning is interpreted by the researcher. In this respect, the analysis of the interviews is constructivist by its nature. Also, the analysis acknowledges that the interviewees represent elite individuals in their sector, which might pose some limitations to the use of interviews as source material. The qualitative content analysis is conducted by examining, coding and counting the meanings from the interviews. This includes creating content categories and the coding frame against which the data is applied.

To summarize, the objective of this research is to find out what has been the effect of emergence and expansion of the EU to the Finnish energy industry's PA-management between 2010-2020, and what are the explaining political, economic and other factors behind the change. The focus is placed upon four different aspects of change. Twelve qualitative interviews with Finnish energy elite constitute the new empirical material on the research subject. The research question will be answered by first establishing the analytical framework consisting of theoretical and empirical background on the research topic, and then analysing the interviews against that framework. In this way the longer trajectory of Finnish energy industry's PA-management in the context of European integration can be established and the more recent developments of 2010s can be detected.

The research is going to argue that the importance and magnitude of lobbying has grown in the energy sector. Finnish energy industry's PA-management has also become more EU-oriented, systematic and proactive. Although the trade associations form the backbone for Finnish energy lobbying, there is a trend of increasing importance of individual direct lobbying and lobbying via issue-based business coalitions. The policy networks are increasingly competitive, international and flexible. Communication agencies have become important supporting actors in the Finnish energy industry's PA-operations. Environmental NGOs have gained increasingly strong foothold in the EU policy process and wide public discussion regarding sustainable development complicates energy lobbying. Overall, the policy networks of Finnish energy industry reflect signs of increasing pluralism and openness. Whereas policy networks in Finland reflect some corporatist tendencies, the EU interest representation system is more pluralist, although also elitist in its nature. Each system has their advantages and disadvantages regarding access to policy process and democratic legitimacy of lobbying.

2. Methods and sources

2.1 Qualitative interviewing

Qualitative interviews with the Finnish energy elite comprehend the new empirical material on the research question that adds up to the pre-existing literature. In order to understand the broader development of Finnish energy lobbying in the context of European integration, the content of the interviews must be analysed against the established analytical framework. Only in this way is one able to construct a comprehensive picture of the development of Finnish energy lobbying.

Interviews were conducted anonymously between the beginning of January and the end of March 2020. 13 persons representing 12 different organisations were interviewed in total. 6 of the organisations were large or mid-size privately or publicly owned energy companies, 3 were trade associations, 1 was a PA-consultancy and the 2 remaining ones were the Ministry of Employment and Economic Affairs of Finland and the Energy Authority of Finland. Individuals for the interviews were selected on the basis of their position in the organisation. The interviewees held director or manager level positions in their organisations, generally in teams or departments dedicated either to public affairs, public relations, EU affairs, energy affairs or corporate responsibility. The interviews were conducted in Finnish, either on the phone or in person. The discussions were recorded at the time and transcribed later on.

In the interviews the focus was paid on the importance and magnitude of lobbying, on the structure and logic of policy networks, on the role of NGOs and public discussion, and on the special characteristics of the energy sector from the point of view of lobbying. The interviewees were asked to concentrate on the time period between 2010 and 2020 in their answers, as the answers then adequately build upon the existing literature on the research subject.

Although this research is interested in Finnish energy industry's PA-management in general, the practical starting and reference point in interview conversations was often the EU renewable energy directives I and II. That is not to say the conversations were only about or driven by renewable energy directives. Instead, discussing about specific directives often helped to concretise and contextualise many of the phenomenon related to PA-management. Also, the attempt was to select the interviewees from the participating organisations on the basis of how familiar they were with the renewable energy directives. Choosing interviewees with similar backgrounds also contributed to the homogeneity of the interviewee group, which expectedly increases the coherence of interviews to each other.

The uttermost *purpose* of the interviews was to produce knowledge that helps the researcher to answer the research question. Interviewing is one of the key methods in social sciences because of its effectiveness in creating knowledge-producing conversations. Conversations are diverse and irreplaceable sources of knowledge about not only personal but also social aspect of our lives. Thus, qualitative interviews are uniquely capable of grasping the qualitative features of human experience and interaction (Brinkmann, 2014).

The interviews took a *semi-structured* form. This approach was chosen over others, because semi-structured interviews, in Brinkmann's words, "can make better use of the knowledge-producing potential of dialogues by allowing much more leeway for following up on whatever angles are deemed important by the interviewee (Brinkmann, 2014, p.286)." Moreover, "the interviewer has a greater chance of becoming visible as a knowledge-producing participant in the process (Brinkmann, 2014, p.286)." In the end, the goal of the interviews was to obtain, in line with Brinkmann's conceptualisation, *descriptions* of how the interviewee him/herself experience the world and its events, that is the *life world*, rather than why they have such experiences (Brinkmann, 2014).

This in mind, the interviewees were not asked to answer directly to the research question of this study, but interview questions were made smaller and more approachable so that they became easier to grasp. The interviewer had prepared a predetermined list of questions which provided the basic outline for the conversation but could still be applied flexibly. The questions were mainly open-ended and the interviewees were asked to be descriptive and reflective in their answer. During the interview the respondent could 'jump of the track' if s/he felt that the interviewer is unwittingly focusing on the less relevant aspect of the issue. Also, if the interviewee mentioned something unexpected but interesting, the interviewer could ask to elaborate on that. Once the additional notions have been exhaustively discussed, the conversation returned back to the routine. In the end of each interview the interviewee was allowed to freely bring forth issues that s/he deemed as important but were not addressed during the interview. This tactic proved fruitful and often produced additional lengthy conversations. In between the interviews, the predetermined set of questions was revised in accordance with the experienced relevancy or irrelevancy of questions. This enabled the interviewer to improve the efficiency of interviews and the quality of answers. Regardless of the revisions, the basic themes of interviews remained the same throughout the project.

Nevertheless, it is to be noted that this method of refining the questions between the interviews also caused some of the answers becoming slightly different to each other in terms of their approach, focus and/or extent. This constitutes a small difficulty for the analysis of interviews as their content cannot always be contrasted to each other perfectly. However, this is considered as a minor issue because in the end the contents of the interviews seem to more supplement rather than contradict each

other. Moreover, not all of the asymmetry in approach, focus and extent between the answers was necessarily a result of revised questions. Instead, some of the interviewees had really different kind of answering techniques with each other. Whereas some gave really extensive and descriptive answers with only little or no effort at all from the side of the interviewer, some gave really reserved and scarce answers as if they avoided to give any additional information than just the bare minimum. This latter group, however, was by far a minority.

2.2 Qualitative content analysis

The methodological approach to analyse the content of the interviews is qualitative content analysis. There prevail various understandings of the premises of this method, thus the objective of the following section is to clarify how it is understood in this research.

Qualitative content analysis in this research employs some constructivist elements. Most importantly, even though the descriptions of energy elite's life world experiences can be treated as information, the meaning of descriptions is not fixed. Therefore, the descriptions cannot be taken as face value, but their meaning must be *interpreted* by the researcher. According to Brinkmann, the life world phenomena are often polyvocal, instead of transparent and monovocal. The meanings that the interviewer is looking for are presumably multiple, perspectival and even contradictory. They demand careful assessment and interpretation. It is important to be open to multiple interpretations of what is said in the interviews (Brinkmann, 2014). In short, it is up to the researcher to conclude what the descriptions mean and tell about the development of Finnish energy lobbying in the context of European integration.

In interpreting the descriptions, one must be aware of the fact that the sample of interviewees is composed of elite individuals. This poses some limitations to the use of interviews as source material. According to the definition of Odendahl and Shaw, elite individuals typically have more status, knowledge, money and higher position than others in the population. They possess privileges and responsibilities that are often not transparent nor easily detectable. Their activities can be surrounded by privacy or even secrecy, making it sometimes rather difficult to penetrate into their world. Elites can be classified into various different although often overlapping categories, such as business, political, diplomacy, defence or communication elites (Odendahl & Shaw, 2011).

In research interviews elite individuals tend to adopt a superior status towards the interviewer and convey a carefully crafted, positive and non-critical accounts of their own conduct (Lounasmeri, 2018; Conti & O'Neil, 2007). Moreover, "respondents within institutions are likely to present the kinds of statements or promote the kinds of company images developed in conjunction with the

organisations' public relations advisers, press departments, and, in some instances, speechwriters (Odendahl & Shaw, 2011, p.17).” In the light of abovementioned, it is assumed that the interviewees might have decided not to disclose all information, or have not gone into full detail in their answers, which keeps the discussion at more general level. Also, the interviewees have probably strived to justify their own position, to reinforce the public image of their own organisation, to legitimize and raise positive attitudes towards lobbying in general. Moreover, relatively small political networks of Finland, in terms of people and organisations, might have contributed to self-censorship of various degrees in a fear of getting identified from the interviews. These issues have to be taken into account when interpreting the descriptions.

Qualitative content analysis can be understood as a systematic inference process that elicits meanings from the text by examining, coding and counting them (Hardy, Harley & Phillips, 2004).

To make reliable and valid inferences from the interviews, the researcher must define analytical content categories that together constitute a coding frame. By applying the textual data on the coding frame, observations from resources can be classified and quantified. Classifying and quantifying the data helps to detect the frequencies and to assess the meaning of observations (Hermann, 2008; Hardy et al., 2004). In other words, the researcher is interested in, for instance, how often and in what ways certain themes, issues or opinions come forth in the interviews and what can be inferred from that.

In order to reduce subjectivity of the analysis, the researcher must utilize rigorous and correct analytical procedures. Three principles are at the centre: the analysis should be objective, systematic and quantitative. Better these principles are met, more accurate the analysis is going to be. Objective, in this respect, means that the content categories must be defined so precisely that any researcher can infer the same results when applying them to the data. Systematic means that there should exist clear rules according to which content categories are either included to or excluded from the research. Quantitative means that the results of analysis should comply with the statistical features of the content (Hardy et al., 2004).

Ten separate content categories were invented for the analysis. Prior to inventing the categories, extensive preliminary analysis of the interview data had taken place. Preliminary analysis was necessary for the researcher to be able to comprehend what questions the data can and cannot provide answers to. The choice to either include or exclude any category to or from the coding frame was based on its relevancy to the research question and research focus (focus being the previously mentioned four aspects of change). Each of the chosen content category either directly or indirectly

contributes to answering the research question. Each category build upon the previous one in cumulative nature. Together the content categories constitute a broad and consistent entity that covers the research objective adequately. At the same time, the categories were formed so that their overlapping with each other is as minimal as possible. The final categories were formulated into question format. Content categories also form the thematic and chronological structure of analysis. Categories are the following:

1. Have the importance and magnitude of lobbying grown and why?
2. What are the actors lobbying the EU institutions and how they do it?
3. What are the actors lobbying the Finnish institutions and how they do it?
4. What are the differences between the PA-environment in Helsinki and Brussels?
5. What are the advantages and disadvantages of collective and individual lobbying?
6. Are the power relations in trade associations equal or unequal?
7. What can be told about disputes within trade associations in energy sector?
8. Has the importance of lobbying individually or via ad hoc business coalitions increased?
9. What is the role and significance of communication agencies in Finnish energy lobbying?
10. What does the data say about the role of NGOs, media and public discussion?

3. Theoretical framework

3.1 Conceptualising lobbying, democracy and corporatism

Lobbying and public affairs are widely used concepts in academic literature and public discussion. However, different authors often tend to employ those concepts differently. For instance, some consider that lobbying means the same as public affairs, while some do not. Same sort of ambiguities are prevalent when corporatism and its various forms are discussed. For instance, whether political advocacy via corporatist relations is considered as lobbying or not tend to vary between authors. Also, whether lobbying or corporatism are at all democratically legitimate phenomena divides opinions. To clear out these ambiguities, the following chapter outlines the basic premises of those concepts in this research.

The notion of organisation's public affairs refers to the external agenda of an organisation that contains opportunities to be pursued and threats to be avoided (van Schendelen, 2016). This external agenda is normally located in the organisation's socio-economic-political environment and is made of public issues, trends, and public policies. What the opportunities and threats are specifically is determined by the organisation's objectives and interests (Lerbinger, 2006).

Public affairs *management* refers to an act of attempting to shape this external agenda so that it conflates with the organisation's interests as much as possible. This is done by influencing public policy, building organisation's reputation and managing relations to stakeholders. PA-management is essentially about forming and maintaining interactive reciprocal relationships to other societal organisations such as businesses, NGOs and the state. On a very practical level, PA-management can comprehend a wide variety of different preparatory and executive tasks such as conducting research, media and policy monitoring, political analysis, setting up individual meetings and event organising (van Schendelen, 2016). Organisation's PA-management is often part of its strategy and thus incorporated into general management (van Schendelen, 2016). PA-management operations can be practiced by any societal organisation, no matter if private, public or third sector organisations (Lerbinger, 2006).

Public affairs is a narrower concept than public relations, which refers to the management of relationships and communication between an organisation and its publics. The differentiating factor is that in the end PA-management is primarily concerned about public policy arena, whereas PR-management is not constrained only to it. For instance, PR-management could place more emphasis on creating positive self-image of the organisations to the public via strategic use of media relations, while being less concerned of public policy. However, regardless of this conceptual difference, it might be difficult to draw distinct line between these two endeavours in practice (Lerbinger, 2006).

PA-management normally culminates into actual lobbying practice (van Schendelen, 2016). Lobbying is a narrower concept than public affairs or PA-management. Lobbying means an act of procuring, selecting and evaluating information from the field politics and then either directly or indirectly communicating that information to power-holder in order to influence the legislative and executive decision-making process (Joos, 2011). In other words, lobbying is an act of political persuasion (Zetter, 2008).

It is important to keep in mind that expansion or intensification of interest group's PA-management does not *necessarily* lead to the interest group's increased influence on policy formulation. Lobbying does not automatically equate with influence. Nevertheless, it is reasonable to assert that interest groups with larger operational resources are better equipped to conduct high quality PA-management than the interest groups with scarce resources. Thus the better equipped interest groups are more *likely to success* in their PA-management (van Schendelen, 2016).

Discussing lobbying almost always raises questions about its relationship to democracy. When reduced to its core, the debate of democratic legitimacy of lobbying takes place between two opposing poles that see lobbying as either undemocratic or democratic action (Bitondi, 2017). The former

proposition asserts that lobbying conducted by citizens or interest groups distorts democratic will because lobbying seeks to influence the public decision makers who are democratically elected and thus the only legitimate holders of public authority. The latter proposition, on the contrary, understands lobbying simply as an inalienable democratic right of each citizen and interest group to engage in informative interaction with public decision-makers (Bitondi, 2017).

This research relies on neither of those two extremes but builds its own middle-ground definition that is based on assumptions from political science and philosophy. Whereas political science is concerned of the practical aspect of the issue, of how things actually are, the philosophical aspect is concerned of normative aspect, of how things ought to be (Bitondi, 2017).

To start building the definition from political science, lobbying in democratic regimes is not considered as good or bad per se, but as action that happens. Studying lobbying equals to studying activities of interest groups that compete with each other over the influence on power holders. Interest groups operate as participants in arenas, where they employ strategies to maximize their influence on decision outcomes (Bitondi, 2017). Nevertheless, all competing actors in the arena are not in symmetrical position in terms of resources to conduct lobbying, which might create biases to the policy process. This assumption of asymmetry relies on the exchange model of interest group influence. According to this economic model, the participants in the political arena – be they individuals, interest groups, politicians or officials – are considered as buyers and sellers who engage in exchanges to improve their welfare either socially, economically or politically. When an interest group seeks to influence policy, it is expected to provide the policy maker with some commodity, such as information or political support. In exchange, the policy maker gives favourable policies. It is assumed that the exchange will make both parties better off. However, as is the case with economic markets as well, the competition among the interest groups drives up the price of favourable policies. Moreover, the interest groups may be charged different prices according to their relationship to the policy maker. For instance, an interest groups that is politically distant to the policy maker and engage in exchange only irregularly might be treated differently to politically like-minded and regularly engaging interest group. In similar terms, the interest groups may provide the policy maker with less valuable goods if the policy maker is not considered to have great influence over the policy issue (Godwin et al., 2013). Finally, some interest groups might have certain areas of strengths. For example, some might be more successful in policy issues that gain lots of public and media attention, and some more successful in low-key and routine politics. In the light of abovementioned variables, the interest group's influence on policy process is highly contingent and thus difficult to predict (Godwin et al., 2013).

To be able to address the democratic legitimacy of lobbying, one must observe lobbying from the point of view of philosophy (Bitondi, 2017). The philosophical view supplements the previously laid political science approach. To start with, lobbying is a democratically legitimate action *per se*, because it is a fundamental democratic right of each citizen to promote their interests to the decision makers who represent the people. Moreover, the essential task of representative democratic government is to be constantly responsive to the preferences of its citizens (Dahl, 1971).

The condition for lobbying to be democratically legitimate is, however, that the citizens are considered as political equals, meaning that they are *equally free to take part in politics* (Dahl, 1971). The political equality of citizens in the policy process could be measured by principles such as *institutional accountability, transparency, openness and fairness* (Bitondi, 2017). If these conditions are not met in the process, democratic legitimacy of lobbying can be questioned. In this sense, there always looms a risk that lobbying adopts undemocratic tendencies in real life, because interest groups' lobbying resources are likely to be unequally distributed.

In addition to the policy process, democratic legitimacy of lobbying can be questioned by looking at the outcome of policy process: it must be in accordance with the public interest. Many definitions of the content of public interest prevail, yet this research understands it as follows. Public interest is something that is 'good' for the people. A distinction can be made between 'felt' interests as subjective ones, and 'real' interests as objective ones (Heywood, 2004). To connect these two, can be said that "interests are 'wants' that can only be defined subjectively by the individual, but suggest that those individuals who fail to select rational or appropriate means of achieving their ends cannot be said to recognize their own best interest (Heywood, 2004, p. 241)."

A further distinction can be drawn between public and private interests. Private interests can be understood as somewhat selfish, often materialistic, interests of particular individual or group. This assumption is based upon liberal idea that individuals are rational and egoistical beings that pursue their own self-interests. This inevitably leads to competition, even conflict. Public interest, on the contrary, is what is good for everybody (Heywood, 2004). On the grounds of rational choice theory, the nature of public interest can be explained by the concept of 'public goods', which refers to "goods or services from which all individuals derive benefit but which none has an incentive to produce (Heywood, 2004, p. 255)." Such things could be, for example, energy conservation or avoidance of pollution. They can be considered important for both human health and environmental sustainability, and thus being everybody's interest. However, self-interested individuals may acknowledge the importance of those issues, but do not pursue them voluntarily due to higher expenses or, say, due to rationalisation that one individual's contribution alone is not enough to make change. Therefore, the government's intervention to society is required so that the 'real' public

interest in terms of ‘public goods’ is not threatened by unrestrained pursuit of ‘felt’ private interest (Heywood, 2004).

A corporatist system of governance is a form of associative governance in which the government forms a formal partnership with few major societal interest groups to develop and implement public policy. These major interest groups are usually, but not necessarily, umbrella organisations that represent many different member organisations. The corporatist relations between the state and society are formed and maintained by the state. A typical example of corporatist governance mode is the tripartite arrangement in which the government formulate and implement national economic and social policy in close cooperation with the peak bodies of national labour market organisations such as trade associations (representing the businesses) and the labour unions (representing the workers) (Bell & Hindmoor, 2009).

The utility of corporatism is typically based on assumption of the supporting organisational capacities of co-governing associations. The state deliberately shares some of its powers, but in exchange the state’s policy capacities are enhanced by the organisational capacities of co-governing associations. These co-governing associations, also called as corporations, can extract various resources from their membership-base, for instance, financial resources, information, loyalty and commitment. The corporations can be utilised as ‘forums’ that enable public negotiation and deliberation, that build trust and reciprocity among and between different societal groups, and that foster wider societal interests and objectives. In this sense, corporatism can overcome collective action problems and other organisation challenges. It can ultimately help to create consensus and efficiency to fragmented and inefficient society (Bell & Hindmoor, 2009).

Corporatism is a multi-faceted concept that can be used to describe various phenomena. This research recognises at least two modes of corporatism: *peak corporatism* and *routine corporatism*. Peak corporatism refers to tripartite arrangement in which the government formulate and implement income policy and related social pacts with the peak labour market organisations representing both employers and workers. Income policy normally touches upon economic, social and labour market policy. Peak corporatism is typically the most apparent and visible form of corporatism (Vesa & Kantola & Binderkrantz, 2018). Routine corporatism, on the other hand, refers to the “institutionalized integration of privileged interest groups into the pre-parliamentary stage of policy making and policy implementation (Vesa et al., 2018, p. 241)”. Routine corporatism can thus exist in any policy sector, not only in economic, social, and labour market policy in terms of tripartite income policy bargaining. Routine corporatism can also include other interest groups than labour market

organisations. In routine corporatism the interest groups typically possess memberships or are regularly invited to different ministerial committees, boards and councils set up by the state (Vesa et al., 2018). These two forms of corporatism are interrelated and can exist also simultaneously. Presence of peak corporatism in society suggests presence of routine corporatism as well, and vice versa (Vesa et al., 2018).

When corporatism is contrasted to the established definition of lobbying, an interest group that attempts to exert influence on public policy by interacting with the government via corporatist relations can be understood as a lobby organisation. Although the form of interaction is structural and/or privileged, it comes down to the interest organisation's deliberate and systematic endeavour to manage its external agenda in order to get a desired outcome from a power holder.

The fact that interest representation via corporatist relations is just another form of lobbying, means that corporatism is a subject to the same conception of democratic legitimacy of lobbying than the 'normal' lobbying is. This means that corporatist interest groups are compatible with democracy insofar as they are essentially only aggregations of individual interests and have thus a democratic right to express their opinion on common matters. However, in order to be democratic, corporatist lobbying must comply with the principles of accountability, transparency, openness and fairness. Also, the lobbying outcome should represent public interest. This is the part in which democratic legitimacy of corporatism is likely to face at least some challenges. For instance, if an interest group becomes institutionally integrated to the policy process so that its position in it is considered as privileged (as the definition of routine corporatism announces), the principles of open and fair democratic debate seem to become undermined. Even though this hypothetical example does not yet automatically justify the stand that corporatism would be democratically illegitimate, it does, however, demonstrate the existing tension between corporatism and democracy.

To summarize, PA-management refers to an organisations' coordinated attempt to build and maintain reciprocal relationships to other societal stakeholders in order to influence public policy, build reputation, and find common ground with stakeholders. The driving force behind managing public affairs is to further organisation's self-interest. The concept of PA-management comprehends a variety of preparatory and executive tasks and it essentially culminates into actual lobbying practice conducted by the lobbyist towards the power holder. PA-management and lobbying come down to civic participation and informative communication. Therefore, it is an inalienable democratic right of each citizen and interest group. Nevertheless, lobbying must meet the requirements of institutional accountability, transparency, openness and fairness in order to be democratically legitimate.

Lobbying can also turn democratically illegitimate if the lobbying outcomes conflict with the public interest. Corporatist interest representation, understood in terms of formal partnership between the government and few interest organisations in formulation and implementation of public policy is just another form of lobbying the government. Therefore, corporatism is a subject to the same requirements than 'normal' lobbying with regards to its democratic legitimacy. Corporatism can occur in various although interrelated forms, for instance, as peak corporatism or as routine corporatism.

3.2 Policy network analysis

Even though policy network analysis (Ruostetsaari, 1998; Peterson 2009) does not constitute a comprehensive theory or research method, it offers a helpful conceptual approach to study the development of Finnish energy industry's PA-management in the context of European integration. This is because PA-management, in its endeavour to get a desired outcome from a power holder, comes essentially down to reciprocal interaction of organisations via various networks. Policy network analysis allows the researcher to map out the functioning and transformation of interdependencies between the organisations involved in policy process.

The basic idea of network analysis is that agents are connected to each other, while at the same time being connected also to other agents. Together the agents and interconnections form a network of social relations. The capacities the network contains as a whole are greater than the sum of the capacities of its individual agents. Therefore, to understand the nature of network it is crucial to observe its structure and characteristics as a whole instead of looking merely at single connections between agents (Ruostetsaari, 1998).

Network analysis is concerned about organisations and institutions instead of individuals, when analysing the agents in the networks. Individual persons operating in organisations are less relevant for the analysis: whereas individuals tend to come and go on a more frequent basis, organisations are relatively constant. That is not to say, though, that organisations would not undergo transformations in a longer period of time. Moreover, agents in the network are not investigated for their own sake, but for the sake of understanding their interactive relationships to other agents. In network analysis, the agents can have various roles, such as rights, duties, imperatives and expectations. The role indicates how the agent is expected to interact with other agents of the network in certain situations. The interactive relationship has always a form, that is the structure, and a content, that is the substance which is independent from the former. Both of these pose impact upon how political attitudes and behaviour are formed (Ruostetsaari, 1998).

Policy networks between state and civil society are based on the interdependency between civil servants, politicians and political advocacy groups (Ruostetsaari, 1998; Peterson, 2009). The essential value of these networks comes down to their ability to facilitate bargaining by forming communication channels of information between the agents, where expertise, trust and other political resources are exchanged (Ruostetsaari, 1998; Peterson, 2009). The civil servants seek for political support, legitimacy, information and coalition partners to be better capable of, first, formulating and implementing public policy and, second, of competing against other governmental departments over power and resources. Political advocacy groups, in contrast, strive to pose influence on policy formulation and implementation so that the final form of legislation is, as far as possible, in accordance with their interest (Ruostetsaari, 1998).

The policy networks between state and civil society are not necessarily formal and structural, but can also be informal and based on personal trust and recognition. They are also typically characterized by relative stability. More firm the established networks are between co-dependent agents, more effective the information change is. If the interaction is repeated enough, networks might become highly cemented or even institutionalised. This might, in turn, erode the chances of other agents not being part of these networks to get involved in policy process (Ruostetsaari, 1998).

3.3 Conceptualising Europeanisation

The effect of European political integration to the Finnish energy industry's PA-management can be best conceptualised by observing the transformation through Europeanisation framework. Europeanisation is a conceptual framework that can be utilised as an analytical tool to help conduct systematic empirical research on subjects of various kinds. In this case it helps to conceptualise and interpret the causal mechanisms behind the transformation of Finnish energy industry's PA-management.

Europeanisation is a term widely and increasingly used in both academic literature and public discussion. In general, it refers to a process of structural transformation in which a subject of transformation becomes to adopt some European features, whatever they may be. However, there does not exist one single definition of Europeanisation. Europeanisation framework can be applied in many different domains and can be used to explain many different processes. The exact formulation of framework, of its objects, subjects and transformation mechanisms is context dependent. The term could be used to describe, say, political institution building at the EU level, transformation of policy processes, or impact of the EU membership on businesses and NGOs at the national level, to name only few examples (van Schendelen, 2016; Fatherstone, 2003; Börzel & Risse, 2003; Radaelli, 2003;

Grote & Lang, 2003). Also, Europeanisation is seldom used as a stand-alone conceptual framework, but is often coupled with previously established meta-theoretical frames such as new institutionalism, liberal intergovernmentalism, multi-level governance and policy networks (Fatherstone, 2003). Giving the manifold nature of Europeanisation as a conceptual framework, the objective of the following section is to formulate a coherent and concise theoretical framework of Europeanisation that is adequate in describing and explaining particularly the effects of European integration to the Finnish energy industry's PA-management.

Van Schendelen's loose definition of Europeanisation can be taken as the bottom line assertion to start with, which does not yet create contradictions between the different possible formulations of Europeanisation. Van Schendelen's describes Europeanisation essentially as the increase of cross-border public and private issue formation in Europe. The core element is the transport of an issue across state borders in Europe. The increase can be understood either as increase in the volume or in the intensity of issues (van Schendelen, 2016). This loose definition leaves open four notions: what is the *source* of Europeanisation, what is its *direction* from the start, what is the *dependent variable* that is being Europeanized and what is the *final outcome*. The source can be one or more of the following: European or domestic pressure group, either private or public. The direction can be one of the following two: either top-down, meaning from another country or the EU to domestic level, or bottom-up, meaning Europeanisation starting from a domestic level and proceeding to another country or the EU. The dependent variable that is being Europeanised can be many things, such as people's attitudes, policies, institutions, regime values or constitutional arrangements in the public or private domain, to name a few examples. The outcome refers to the end result of Europeanisation process and is dependent on the configuration of abovementioned three parameters. For the sake of argument, however, it could be a legislative proposal, a complete EU directive, or, say, any sort of organisational or attitudinal change among European private sector companies (van Schendelen, 2016).

Because the underlying objective of this research is to find out what has been the effect of European political integration to Finnish energy industry's PA-management, the Europeanisation framework should be constructed to measure the *impact of Europeanisation on domestic actors*. This kind of research set up intrinsically asserts two things. First, that Europeanisation of Finnish politics, including energy politics, has already taken place (this is due to Finland's EU accession and will be demonstrated empirically in the literature review). The second assertion, which builds upon the first one, is that Europeanised Finnish politics now exerts Europeanisation also upon the way how the

Finnish energy industry manages its public affairs (also this will be empirically demonstrated in the literature review and elaborated in the discussion chapter).

When the four open notions of Europeanisation introduced by van Schendelen are applied to the abovementioned aspiration of this research, that is measuring the impact of Europeanisation on domestic actors, the theoretical frame of Europeanisation takes the following form. The *source* of Europeanisation is the European public sector, that is the EU institutions legislating the EU policy. This is because the policies that are crucial to the operations of Finnish energy industry, such as policies on energy, environment and internal market, are to a great extent legislated in the EU institutions in Brussels. The political and economic context in which businesses operate has become European and thus keeps Europeanising its subjects. The *direction* of Europeanisation from the start is essentially top-down, meaning starting from the EU institutions and ending up to domestic level, because it is the industries that adjust themselves to the changing European environment. This research is aware of the fact the Finnish private sector might have been among the domestic actors that have actively pushed Finland towards the EU accession, which could then be understood as a bottom-up Europeanisation. However, whatever has been the case with regard to the Finnish energy industry, this research focuses purely on the reaction of the industry to the changing political and economic structures brought by the EU after the accession. The *dependent variable* that is being Europeanized in this case is the Finnish energy industry's PA-management. The *outcome* of Europeanisation is then understood as the answer to the question 'to what extent and in what ways has the Finnish energy industry's PA-management become Europeanized'. In this sense, that fourth parameter constitutes the answer to the research question.

Now the typology of Europeanisation framework (source, direction, dependent variable and outcome) has been defined so that it reflects the impact of Europeanisation on domestic actors. This allows us to move further to conceptualise the *mechanisms* by which top-down directed Europeanisation affects upon domestic policies, politics and polities. Theoretical notions of Tanja Börzel and Thomas Risse are helpful in this task. For them, the question is not so much about whether Europeanisation happens or not, but more about how it happens, to what degree and at what pace (Börzel & Risse, 2003). Börzel and Risse argue that there are two basic conditions to be met for the Europeanisation to cause domestic changes: first, *adaptational pressure produced by a misfit*, and second, a *response from various facilitating factors to adaptational pressures*.

Regarding the first condition, the "Europeanization must be 'inconvenient', that is, there must be some degree of 'misfit' or incompatibility between European-level processes, policies, and institutions, on the one hand, and domestic-level processes, policies, and institutions on the other.

This degree of fit or misfit leads to adaptational pressures, which constitute a necessary but not sufficient condition for expecting domestic change (Börzel & Risse, 2003, p.58).” The lower the compatibility is between the two, the higher is the adaptational pressure.

There are misfits of two kinds. The first, policy misfit, results from incompatibility of European rules and regulations on the one hand, and domestic policies on the other, for instance, when European policies contradict which national policy goals, regulatory standards and instruments that are used to achieve policy goals. This often also contributes to the emergence of the second type of misfit, the institutional misfit, which challenges the domestic rules and procedures and the collective understanding attached to them. Institutional misfit is less direct than policy misfit, and its effects are likely to be long term and cumulative. The level of misfit can vary significantly among the member states. (Börzel & Risse, 2003).

The second condition for Europeanisation to cause domestic change is that “various facilitating factors – be it actors, be it institutions – respond to the adaptational pressures, thus including the change (Börzel & Risse, 2003, p.58).” Responding is understood as the act of domestic actors to adapt their processes, policies, and/or institutions to new practices, norms and procedures that the European system of governance has brought with it. The set of institutions and actors facilitating or inhibiting the change is different in each member states (Börzel & Risse, 2003).

Rational choice institutionalism, a variant of new institutionalism in political science, can be used to conceptualise the adaptational process in response to Europeanisation (Börzel & Risse, 2003). This rationalist perspective follows the *logic of consequentialism*, which sees actors as rational, goal-oriented and purposeful agents (Börze & Risse, 2003) that “engage in strategic interactions using resources to maximize their utilities on the basis of given, fixed, and ordered preferences. They follow instrumental rationality by weighing the costs and benefits of different strategy options taking into account the (anticipated) behaviour of other actors (Börzel & Risse, 2003, p.63).” Rational choice institutionalism thus asserts that “the misfit between European and domestic processes, policies, and institutions provides societal and/or political actors with new opportunities and constraints to pursue their interests. Whether such changes in the political opportunity structure lead to a domestic redistribution of power, depends on the capacity of actors to exploit these opportunities and avoid the constraints (Börzel & Risse, 2003, p.58).” Moreover, the rationalist institutionalism suggests “that Europeanization leads to domestic change through a differential empowerment of actors resulting from a redistribution of resources at the domestic level (Börzel & Risse, 2003, p. 58).”

The capacities of actors to respond Europeanisation are affected by two mediating factors with opposite effects. First, *multiple veto points*, either institutional or factual, in a country’s organisational structure can empower domestic actors to resist the adaptational pressures and thus

decreasing the likelihood of Europeanisation. The more power is dispersed over the polity and the more domestic actors can influence on the policy, the harder it is to form a domestic consensus that is necessary to push through the changes in response to the adaptational pressure. Second, the likelihood of Europeanisation increases if there are *formal institutions* at the European level that provide domestic actors with either material or immaterial resources to exploit new opportunities. This could be, for instance, direct relations with European policy makers to help smaller organisations or regions to circumvent the national government in European policy making. However, many are unable to exploit the opportunities due to lack of operational resources, because being present at the European level costs relatively large sums of money (Börzel & Risse, 2003).

Three degrees of domestic change can be distinguished. Domestic change is low when domestic actors incorporate European ideas into domestic processes and structures, respectively, but without substantially altering the pre-existing ones. Domestic change is modest when domestic actors adapt the existing processes and institutions to adaptational pressures without fundamentally changing their features. This could be done, for instance, by patching up new processes and institutions onto existing ones without changing the latter. Domestic change is high when domestic actors replace the domestic processes and institutions by new and substantially different ones or transform the nature of existing ones fundamentally (Börzel & Risse, 2003).

To summarize, as the objective of research is to find out about the effects of European political integration to the Finnish energy industry's PA-management, the Europeanisation framework employed in this research is constructed to measure the impact of Europeanisation on domestic actors. This means that the source of Europeanisation is the European public sector, the direction of it is top-down and the dependent variable being Europeanised is the Finnish energy industry PA-management. The outcome of Europeanisation process constitutes the answer to the research question. There are two conditions for Europeanisation to cause domestic change. First, adaptational pressure produced by a misfit, and second, a response from various facilitating factors to adaptational pressures. Rational choice institutionalism, which follows the logic of consequentialism by seeing actors as rational and goal-oriented agents, can be used to conceptualise the adaptational process. Multiple veto points in a country's institutional or organisational structure can help domestic actors to resist adaptational pressures of Europeanisation. On the contrary, the likelihood of Europeanisation increases if there are formal institutions at the European level that provide domestic actors with resources to exploit new opportunities offered by Europeanisation. Three degrees of domestic change can be distinguished: low, modest and high.

4. Literature review

The following chapter puts together a literature review on the research subject. The aim is to form a coherent and concise empirical background image of the EU and domestic level developments regarding energy policy and lobbying. The literature review is composed of five separate subject areas: (4.1) the EU competences and ambitions in energy policy, (4.2) the interest representation system at the EU level, Finnish domestic developments regarding (4.3) corporatism and (4.4) private PA-industry and finally, (4.5) the Finnish energy lobby in particular.

4.1 EU's increasing competencies and growing ambitions in energy policy

The following section demonstrates that the Finnish energy policy has become Europeanised to a large extent. With regard to the EU's institutional and legal regime, competences to legislate energy policy have been gradually transferred from the EU member states to the EU-level. This signifies multilevel governance in energy affairs (Talus & Aalto, 2017).

Europeanisation of energy policy started when the European integration in terms of the EU first took off in the early 1950s. Two out of three founding treaties of the EU focused primarily on energy: the European Coal and Steel Community Treaty in 1951 and the European Atomic Energy Community Treaty in 1957. The third treaty, the Treaty of Rome in 1957 that established the European Economic Community, also covered some aspects of energy. However, no separate legal basis for energy policy was created in this occasion, but the policy area could only be regulated via EU's economic and internal market competencies. In 1964 the European Court of Justice gave a wide-known judgement confirming that energy sector belongs to the economic activities covered by EU law and policy (Talus & Aalto, 2017). However, energy sector being subject to the EU law does not yet mean that the EU politics necessarily produce laws that regulate the field. To the contrary, the EU market integration project left the energy sector largely untouched during the early phase of the Union. Energy is often seen as a strategic resource, for why the sector has been politically loaded and sensitive. In this sense the energy sector is very different from other industry sectors where market mechanisms have usually been dominant. Instead of internal energy market, the electricity and gas markets were divided in accordance with national boundaries and controlled by monopolies and large state-owned companies (Ruostetsaari, 2010; Talus & Aalto, 2017).

The EU's market-oriented approach to energy started to gradually take off in the late 1980s when the faith in markets were exceptionally good. Especially the US and UK had gained firmly positive results from market liberalisation. The basic idea was classical: increased competition enhances the

production methods which in turn translates into cheaper prices and larger product selection for consumers (Talus & Aalto, 2017). In consequence, the EU legislated and adopted three Energy Packages under its internal market competences during 1990s and 2010s. In the late 1990s the First Energy Package was adopted. Although the instant impact of the package to the functioning of European energy market was modest, it established the regulatory foundations for the upcoming reforms. This was followed by the adaptation of Second Energy Package in 2003, a set of regulations and directives aiming at speeding up the transformation towards competitive market for gas and electricity. The obligations compared to the first package were more concrete and sector-specific. Provision were introduced to national energy market authorities, third-party access to networks was extended, functional and legal unbundling of network were furthered and regulatory basis for cross-border interconnectors was established. The Third Energy Package adopted in 2009 furthered ownership unbundling, improved the access to energy networks, granted the national regulator with new powers and created the Agency for the Cooperation of Energy Regulators (ACER) (Talus & Aalto, 2017).

Up until this point, the EU regulatory measures on the energy sector were done also under the policy competences on environmental matters (Talus & Aalto, 2017). This is possible because environment and energy are so interrelated and even inseparable policy sectors. Energy sector's emissions are one of the major contributors to global warming. In 2014 electricity and heat production together with other energy-related emissions accounted for about 35% of global greenhouse gas emissions. One estimation is that the emissions of the global energy sector must be reduced to zero between 2040 and 2060, including carbon removal technologies, if climate change is going to be stopped at 1.5 Celsius degree. Thus, moving towards less carbon intensive energy production is at the centre place in EU's attempt to combat climate change (Feiler & Vajda, 2017). The legal basis of EU's environmental policy is primarily in the Articles 191, 192 and 194 TFEU. For instance, the Article 191 TFEU outlines that the purpose of EU environmental policy is to contribute to the pursuit of protecting the environment and human health, to prudent and rational use of natural resources and to combating climate change (Talus & Aalto, 2017). For instance, the EU Renewable Energy Directive in 2009 was partially adopted under the EU environmental policy competences (Talus & Aalto, 2017). The Renewable Energy Directive set binding targets for the member states for the promotion of renewable energy sources and biofuels (European Commission, 2019a). Also, the EU Emissions Trading System (ETS) was adopted under the EU's competence in environmental policy in 2005. ETS is the EU's central tool in combating climate change and in reducing greenhouse gas emission

by the most cost-efficient way. The ETS regime poses far-reaching impacts on the national energy affairs of member states (Grownwald & Hintermann, 2015).

Finally, the Treaty of Lisbon in 2009 explicitly included energy to the area of shared competences under Article 4 of Part I of the TFEU. The Treaty also introduced an energy specific Article that further clarified the details of those competences. According to Article 194 TFEU, the EU energy policy is based on four basic elements: (1) ensure the functioning of the energy market, (2) promote interconnections between networks, (3) ensure security of energy supply in the Union, and (4) promote energy efficiency and development of renewable energy. Under this provision the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, can establish measures to obtain those objectives (Talus & Aalto, 2017). However, the member states possess the right to determine how to exploit their energy resources and how to constitute their own national energy mix. The member states can freely choose between natural gas, nuclear power, coal and renewable energy (Talus & Aalto, 2017). However, there are obviously certain limits for the member states in exerting this freedom in practice as the EU has set the obligatory outline for energy policy, for instance, with regards to promotion of renewable energy sources.

Since the Treaty of Lisbon, the EU has adopted a wide array of different energy packages. The Energy Union Package published in 2015 laid out a framework strategy for a resilient energy union with forward-looking climate policy. It aims to support building an energy union that provides EU consumers with secure, sustainable, competitive and affordable energy. Since its publication, the EU has produced regular progress reports and measure packages that monitor the implementation of abovementioned priorities (European Commission, 2020a). The Clean Energy for all European package, entered into force in 2019. The package was a comprehensive revision of EU's energy policy framework, a significant step towards the implementation of Energy Union strategy, and an important step toward the EU long-term strategy to achieve carbon neutrality by 2050. The package introduced legislation that set new targets and sustainability criteria for renewable energy, biofuels and other bioenergy. It also modernised the electricity market, set new energy efficiency targets and introduced new governance system of the energy union (European Commission, 2020b).

Deregulation of Finnish energy infrastructure in terms of gas and electricity started in the beginning of the 1980s. This gradual process culminated to the law adopted in 1995 that opened the electricity market to competition. The arguments for market liberalisation were very similar to what were used in the European context. In 1995 Finland also joined the EU and three years later, in 1998, Finland joined to the same electricity market with Sweden and Norway. Denmark followed this in 1999. The

structure of Finnish gas market differs significantly from the European ones, as the network does not comprehend private households but the gas is used mainly in energy production plants. In 2003, the International Energy Agency considered the Finnish energy regulation as light and the Finnish electricity market as one of the least regulated in the world. The energy environment transformed also in other sense as domestic energy producers headed to foreign markets while foreign producers entered the Finnish energy markets (Ruostetsaari, 2010).

The period of market-oriented steering and deregulation lasted about ten years, until 2005, when regulation returned to energy policy, now via the EU. Finland became subject to the EU ETS and due to the new climate and energy package also subject to the new binding targets for greenhouse gas emission cuts, renewable energy and energy efficiency. Regulatory measures have gained more importance in national energy policy and the role of independent regulatory agencies has grown. Energy policy has become more concerned of enhancing functioning of the market while being ever less concerned of directing the companies (Ruostetsaari, 2010). It is to be noted, however, that the EU legislation is not the only factor that has diminished Finland's sovereignty on its energy policy. Coordinated international attempts to tackle climate change emerged already in Rio de Janeiro, 1992, and in Kyoto, 1997, when the UN laid foundations for cutting global greenhouse gas emissions (Ruostetsaari, 2010).

4.2 EU interest representation system

The EU interest representation system in Brussels is vast, complex and ever-changing. Its size and magnitude have grown dramatically over the last three decades and today the industry is considered as one the world's largest (Coen & Richardson, 2009a; Bitondi & Harris, 2017). The enormous size of the industry is no surprise, if one notes that the 27 EU member states governed to a large extent from Brussels have a total population of almost 500 million people. These people together constitute a highly developed and competitive internal market that produces about one fourth of the world's total GDP (Bitondi & Harris, 2017). The expansion of Brussels' PA-industry has typically been linked to (1) the increased complexity of modern business environment caused by more pervasive regulatory government, and to (2) an increased need of companies for economic competitiveness in expanded and intensified markets (Bitondi & Harris, 2017). The growing number of interest groups in Brussels also simply encourages other groups to join. In other words, lobbying increases lobbying (Coen & Richardson, 2009b). The following section describes the key characteristics and developments of EU interest representation system.

The significance, magnitude and technics of EU targeted lobbying have developed in accordance with the evolvement of the Union itself. In general terms, more the EU competences have grown in a specific sector, more the EU targeted lobbying in this sector has increased and professionalised (Coen & Richardson, 2009a; Levitt & Bryceson & Van Mierlo, 2017).

Prior to 1990s, EU lobbying was dominated by national representations of EU member states and by collective action via trade associations and labour unions (Coen & Richardson, 2009a). However, the Single European Act in 1986 and the Maastricht Treaty in 1992 remarked significant turning points, since they laid the foundations and blueprints for a complete EU internal market and European Monetary Union (EMU). As a consequence, the 1990s saw an emergence and expansion of direct business lobbying (as opposed to collective action) as well as an arrival of the largest NGOs. Since then, the presence of all actors – companies, collective associations, NGOs and professional PA-consultancies – has been growing in Brussels (Coen, 2009; Coen & Richardson, 2009a; Levitt et al., 2017). The next momentous treaties increasing the EU competences were the Treaty of Amsterdam in 1997 and the Treaty of Nice in 2001, which prepared the Union to better cope with upcoming enlargements. These were followed by the Treaty of Lisbon, signed in 2007. It increased the relevance of EU to national industries by expanding the usage of qualified majority voting in the Council of Ministers and by strengthening the legislative competencies of European Parliament (EP) at the expense of the Council of Ministers and the European Council (Levitt et al., 2017). The Treaty of Lisbon put also more emphasis on the citizen and stakeholder consultations taken at the initiative phase of policy making. In 2015 Consultation practices were further reinforced by the Juncker Commission's Better Regulation Package (Levitt et al., 2017; European Commission, 2019b).

The three EU policy institutions most important to lobbyists are the European Commission, the Council of Ministers and the European Parliament. The Commission has always been an extremely important target for lobbying for it is entitled to the exclusive right to initiate EU legislation: it drafts the legislative proposal before any other institutions can review it. As the rule of thumb for EU lobbying goes: chances to influence EU policy are better if one engages with the policy process as early as possible. The Commission also implements the directives and regulations adopted by the EP and the Council. This opens yet another lobbying opportunity, as at the implementation phase some minor adjustments can be done to how the upcoming EU law will look like in practice (Levitt et al., 2017; van Schendelen, 2013; Buonanno & Nugent, 2013; Bouwen, 2009). Moreover, the Commission's relevance to lobbyists is further increased by its responsibility to manage EU finances, negotiate the trade agreements between the EU and third parties and represent the EU in international negotiations (Levitt et al., 2017; Buonanno & Nugent, 2013, Bouwen, 2009).

The structure of Commission is hierarchical: legislative proposals go through several levels in the Commission before it proceeds to the EP and the Council. Vast majority of the preparatory work is done at the initiative and drafting phase by lower level civil servants, who often possess the deepest technical expertise regarding the issue. After this the proposal proceeds to the examination by commissioner's cabinet, from where it finally goes to formal approval by the college of commissioners. Most of the lobbying takes place at the lower levels of policy formulation. Further the proposal proceeds, the harder it becomes to change its content by lobbying (Bouwen, 2009).

Rather than being irregular and unidirectional, the relationship between the Commission and interest groups is based on interdependency and exchange of mutual benefits (Bouwen, 2009; Coen & Richardson, 2009b). The main resource the Commission can offer for interest groups is access to the Commission's policy formulation, while in exchange from the interest groups it receives resources that are vital for its functioning: expert knowledge and legitimacy (Bouwen, 2009). Regarding expert knowledge, the Commission is largely dependent on external resources in obtaining information to support its policy formulation, because its own internal capacities are relatively scarce in terms of administrative staff (Bouwen, 2009). The incentive for consultation is particularly strong at the EU level also because the conditions in the member states can be to large extent uncertain to the EU officials due to the long distance between the two (Coen & Richardson, 2009b). Legitimacy, on the other hand, strengthens the Commission's role vis-a-vis other EU institutions in the policy process and helps it to secure support for its policy proposals throughout the policy process (Bouwen, 2009).

There is always one Directorate-Generals (DG) who is in charge of a specific policy proposal in the Commission. The DG initiates and leads discussions with internal and external actors regarding that proposal. The responsible DG is thus an important target for lobbyists. The DG normally establishes one or more consultative committees chaired by the Commission officials in order to engage with civil society stakeholders. The committees provide crucial channel for interest groups to influence the Commission's policy formulation (Bouwen, 2009). There exist temporal and issue-specific ad hoc committees as well as standing committees, out of which ad hoc ones are often more influential. The size of committees can vary from a very low number of participants to around 100 participants. Some committees include both private and public interests, whereas some committees are devoted to private interest only. Moreover, some private interest committees are dedicated alone to businesses, while some are for European federations alone (Bouwen, 2009).

In addition to the committees, the Commission actively shapes the interest representation system in two other ways so that the resource exchange in terms of access, expert knowledge and legitimacy becomes more effective. This is done by two instruments: money and rule-making power. First, the Commission finances interest groups. Finances are addressed to all kind of interest groups,

although NGOs are financed at a higher rate than others. This is expected to balance the dialogue between NGOs and producer interest. Second, the Commission has set up informal rules and guidelines to enhance the interaction with interest groups at the EU level so that the scope consultation becomes wider, less business-oriented and more transparent (Bouwen, 2009).

The EP's powers have grown gradually from the 1970s and its importance as a lobbying site has grown in accordance with its powers. Today it possesses full co-decision making, budgetary and legislative power with the Council, meaning it amends, approves or rejects legislative proposal introduced by the Commission (Coen & Richardson, 2009a; Levitt et al., 2017; Bouwen, 2009; Lehmann, 2009; Buonanno & Nugent, 2013). The EP's status as a political body is rather independent. It operates as the controller and supervisor of the Commission, but is not itself controlled by it as the EU does not have party-based government (Buonanno & Nugent, 2013). Also, the MEPs are relatively independent politicians, as they are not subject to such strong party discipline regarding their voting behaviour as some domestic MPs might be in their national parliaments (e.g. in Finland) (Buonanno & Nugent, 2013).

EP is the centre of EU's party politics and media attention, which translates into different lobbying environment compared to the Commission. The EP's policy processes are uniquely open: the Commission's legislative proposal reaches its more public conclusion in the EP. High publicity of a policy issue can open up new routes for effective lobbying (Levitt et al., 2017; Lehmann, 2009). However, media attention and the nature of party politics also mean that EP targeted lobbying must be based on wide coalitions, intensive networking and non-technical approach (Lehmann, 2009).

In practice, lobbying the EP happens by transmitting selected and well-prepared information to the MEPs. Much of the work of MEPs takes place in the EP committees, which are thus important lobbying sites. The rapporteur, shadow rapporteurs, committee chair as well as their secretaries and group officials are the main opinion formers in the committee and thus the main lobbying the targets. Accessibility and openness of MEPs might be influenced by factors such as political affiliation, nationality and personal acquaintance. Nevertheless, with regard to lobbying access, the EP has been described as equally open with the Commission (Lehmann, 2009).

Most MEPs agree that lobbyists provide factual up-to-date information that supports the legislative process without which the daily work of EP would be much more difficult. In general, the lobby group's potential impact on policy process grows if the group's policy proposal is able to promote a wider range of public goods than just interest group's narrow self-interest. Also, policy issues that are of high interest for a large number of citizens in the home region or home country of the MEP typically attracts stronger attention from those MEPs (Lehmann, 2009).

The Council of the EU, composed of politicians and officials representing the member states, co-legislates with the EP and provides the framework for inter-governmental day-to-day bargaining. The Council's approval is needed for a proposal to become EU legislation (Buonanno & Nugent, 2013). While "the Parliament makes the most noise, the Council quietly has the iron will (Levitt et al., 2017, p.36)." In the Council strong national interests can either be forcefully pushed through or blocked deliberately. The Council can be the most important place for a lobbyist who wishes to make a single decisive intervention. Yet the Council meetings are closed and decision-making the least transparent out of the three key institutions. Lobbying the Council in Brussels typically takes place in the member states' Permanent Representations to the EU where some of the national civil servants work, or in the member states' capitals where the national Ministries are located (Coen & Richardson, 2009a; Levitt et al., 2017).

The EU has been increasingly paying attention to regulation of lobbying. The EP created the EU's first version of lobbying register already in 1996, which primary purpose was to provide registered lobbyists with passes to the parliament building. However, the register's content ended up being incomprehensive and political support was not strong enough to tackle its faults. The Commission, on the other hand, established its first lobbying register as a part of larger European transparency initiative in 2008. Joining the register was made voluntary, however, registered lobbyists were awarded, not by providing passes to the institution as the EP did, but by adding the lobbyists on the Commission's mailing list which informed the lobbyists of the Commission's upcoming legislative projects (Korkea-aho & Tiensuu, 2018).

The registers of EP and Commission operated apart from each other up until 2011, once the institutions agreed upon establishing a shared register, the European Transparency Register. The Council of the EU did not take part to the register. The register provides information about who are the lobbyists, what are their interests and how much resources are used to lobbying. By joining the register, the lobbyists also commit themselves to the EU's code of conduct for lobbyists. The register is voluntary, but the EU encourages the lobbyists to join by providing them with benefits. The Commission provides registered lobbyists with access to meetings with commissioners and their cabinets, with enhanced access to the Commission's expert groups, and with automatic notifications of the Commission's public hearings and new legislative projects. The EP, on the other hand, might provide registered lobbyists with special passes to the EP's premises and access to the EP's committees as a be a speaker. Furthermore, due to a change to Transparency Register introduced in

2018, the MEPs must be certain they arrange meetings only with registered lobbyists (Korkea-aho & Tiensuu, 2018).

Direct business lobbying in the EU policy process has challenged traditional forms of collective action. Its volume has increased from the 1990s and is considered as highly important means of influencing the EU policy. Direct lobbying is particularly effective because it allows the firm to overcome the ‘problem of lowest common denominator’ that is often faced in European federations and in national trade associations. This problem refers to an interest group’s incapability of formulating a collective policy position that is concrete and detailed enough to be effective. Namely, existing interests within the interest groups can sometimes be so diverse or even contradictory that it is impossible to establish policy position that satisfies everybody. As a result, the final position of an interest group on specific policy issue might be left vague or non-defined. When a business lobbies directly for itself, no reconciliation is needed and policy positions can be made more concrete (Coen, 2009).

On the other hand, however, access to the Commission’s policy formulation is much harder to attain as an individual business when compared to collective associations. Although the access to Commission is considered as generally open, the EU public policy process is highly interest-crowded and there is intense competition for access (Coen, 2009). In general, direct lobbying efforts are given the greatest weight by the Commission, and also by the EP, when a business manages to establish a broad coalition with rival European firms that promotes broad political profile, collective political strategies, and common European identity (Coen, 2009). Moreover, a firm or coalition must establish a certain kind of reputation as a provider of reliable, sector-specific and pan-European information in order to gain access. In case of individual business, cross-border production, large size and long presence in Brussels often helps to build this reputation (Coen, 2009). However, to become such an acknowledged actor and to develop such a *trust-based elite relationship* to the EU institutions, most importantly to the Commission, demands lots of resources and expertise. One must be up-to-date of EU politics, understand the nature and demands of policy process, be capable of identifying natural alliances, and actively build formal and informal networks (Coen, 2009).

Although direct business lobbying has increased at a higher pace than lobbying via collective routes, businesses of all sizes must employ all available political channels in order to lobby effectively. Collective and direct channels are, in the end, mutually reinforcing (Coen, 2009; Coen & Richardson, 2009a). Most of the European businesses consider that belonging to the national trade association and its EU federation is beneficial to lobbying (Coen, 2009). Large EU level federations tend to have

‘automatic insider status’ in the policy process. Also, they have very large resources and deep expertise at their disposal when it comes to policy monitoring (Coen, 2009). With regard to the exchange process between the EU officials and traditional trade associations, however, the trade associations are sometimes considered lacking the required ‘expert knowledge’, in contrast to private businesses. Thus their inclusion in the policymaking is often based on the legitimacy they provide for the process, rather than expert knowledge (Bouwen, 2009).

It is noteworthy that much of the growth of collective lobbying has taken place outside traditional associations and national cleavages. Collective action takes increasingly form in short-life and ad hoc alliances that focus on specific policy issues (Coen, 2009).

Conclusively, the EU interest representation system reflects many pluralist tendencies. There is a plurality of actors that engage in fierce competition with each other over political influence. No single group has entirely captured the arena or even dominated it for a long period of time. On a general level, access to policy makers is not restricted per se – in fact, quite the opposite. Also, some organised interests with significantly low financial resources, such as environmental NGOs, have achieved highly successful lobbying results when compared to well-resourced business interests (Coen & Richardson, 2009b). Nevertheless, the system also reflects some elite pluralist tendencies in a sense that the access to policy forums and committees is limited to a certain number of players for whom membership is competitive. However, such exchange-based relationship to the EU is strategically desirable. The EU considers businesses as integral policy players, but requires them to fit into certain access criteria. Fitting into these criteria, however, demands significant amounts of resources and expertise from interest organisations. As a consequence, a system has emerged that is characterised by trust-based elite relationships between insider groups and EU officials. Traditional collective route is used as complementary means to the emerging elite forum politics (Coen, 2009; Coen & Richardson, 2009b).

4.3 Finnish consensus culture and corporatist interest representation system

All EU member states are very different to each other when it comes to developments of political culture, structures of interest representation, economic features, and so on. In order to properly understand how, when and why the Finnish PA-environment has Europeanised, one must first be aware of the political and economic history of Finland. The crucial nodes are developments regarding Finnish peak and routine corporatism and liberalisation of Finnish economy. Observing those aspects of Finnish society helps to understand the development of Finnish business interest, which helps to understand the current state of Finnish energy lobbying.

Finnish political system and culture is commonly recognized as consensus-oriented (Collander et al., 2017; Blom, 2018; Kantola, 2015; Ruostetsaari et al., 2017; Lounasmeri, 2018; Vesa, 2016; Vesa et al., 2018). This means that exercising political power is based on a mutual strive to find consensus that satisfies all political and social groups being involved (Vesa, 2016). Finnish governments are usually strong majority governments based on broad party coalitions from left to right. Normally government coalitions are relatively easy to form and no specific and stabile party blocks exist (Collander et al., 2017; Vesa, 2016; Ruostetsaari, 2014). Such system encourages the government parties to find a common ground with others and make compromises so that the operational capacities of the government are ensured (Kantola, 2015; Vesa, 2016). Due to a large majority in terms of parliament seats, the Finnish governments can often lead the legislative work quite sovereignly without significant opposition from the Eduskunta, the Parliament of Finland (Collander et al., 2017; Vesa, 2016; Ruostetsaari, 2014).

One explanation for the emergence of consensus culture is the fragmented party system of *Eduskunta* (Collander & Rämö & Blom, 2017; Vesa, 2016; Kantola, 2015). There are currently 9 political parties represented in the Eduskunta. Up until the 2010s, the Finnish parliamentary elections had basically been dominated by the ‘Big Three’: the centre-right National Coalition Party, centre-left Social Democrats and agrarian Centre Party. In the recent decades, the Big Three have flexibly formed various government coalitions in accordance with the election results. The government coalitions have been typically supplemented with the Swedish People’s Party and sometimes also with other smaller parties (Ruostetsaari et al., 2017; Collander et al., 2017). Recent developments in the 2010s imply further fragmentation of political arena and the prevalence of five middle-size parties instead of three large parties. The two most significant new parties that have established their positions in the political arena during the previous decades are the Green League and right-wing conservative the Finns Party. With regard to the Finns Party, the pivotal point was the 2011 parliamentary election when the party quintupled its share of votes and broke up the traditional set up of the Big Three (Collander et al., 2017). After the 2015 and 2019 parliamentary elections the Finns have been the second largest party by the number of seats (Statistics Finland, 2015; Statistics Finland, 2019). The Greens, on the other hand, reached its all-time-high in the number of seats and became the fifth largest party after the 2019 parliamentary elections (Collander et al., 2017). At the same time, the long-term support of Finnish left-wing parties has been in steady decline (Ruostetsaari et al., 2017; Collander et al., 2017). In the 2019 parliamentary elections no party managed to attain support of over 18%, while the difference between the largest and third largest party in the number of votes was only 0.7%.

Also, the difference between the largest and fifth largest parties was only 6.2% (Statistics Finland, 2019).

Consensus-building is also deeply rooted in the history of Finland. The turbulent 20th century was characterised by the Finnish independence, the Finnish civil war, and the Second World War. The state had a crucial role in building national consensus amidst stark political tensions and disruptions. Strive for consensus was reflected also to policy preparation: the committee system of the time, inherited from the times of Swedish domination, integrated important interest groups to broad-based policy preparation (Rainio-Niemi, 2010).

Against this backdrop, the corporatist interest representation system started to emerge in Finland in the late 1960s, when the state started to increasingly rely on tripartite negotiations with the key trade associations, labour unions and their peak organisations when it formulated and implemented economic and social policies. The focal point of tripartite negotiations was typically income policy (Kantola, 2015; Ruostetsaari, 2014; Bergholm, 2007). The key purpose of income policy was to maintain economic growth and ensure economic competitiveness of national industries by moderating wages and reducing the risk of uncontrollable strikes. These measures, often interpreted as hostile to workers, were usually compensated by introducing new social benefits and reforms. The underlying idea of centralised income policy was that the whole nation benefits from economic growth (Kantola, 2015). The first collective income policy solution (*tulopoliittinen kokonaisratkaisu*) was reached in 1968. It combined the next year's wages, prices, interest rates, unemployment benefits, pension solutions, farming subsidies and some other smaller socio-political decisions into a one single package. The income policy negotiations were participated by all major societal groups: industries, workers and farmers (Kantola, 2015). Research literature categorises this sort of corporatism as peak corporatism (Vesa et al., 2018).

Since the 1960s, the labour market organisations' power in Finnish economic and social policy strengthened and the collective income policy solutions became common practice (Kantola, 2015; Ruostetsaari 2014). The corporatist power structures became more centralised and cemented in Finland than in many other modern European democracy. In the beginning of the 1990s, Finland was estimated to belong to the group of most corporatist countries in Europe (Ruostetsaari, 2014). Out of the Nordic countries, collective income policy stayed in practice for the longest time in Finland (Vartiainen, 2011). Such centralised contract system crumbled in Sweden in the 1980s, whereas Denmark took a strong shift towards more local bargaining in the 1990s. In Norway it prevailed, although in a less stricter form than in Finland. The collective income policy ended in Finland only slowly and gradually between 1991 and 2007 (Bergholm, 2011).

The following section describes the historical events that gradually led to the abolishment of collective income policy in Finland, which implies decreasing level of Finnish peak corporatism. Gradual liberalisation and internationalisation of Finnish economy since the mid-1980s forms the backdrop for this development. Liberalisation of economy first effectively facilitated economic growth up until the beginning of 1990s, but then eventually led to deep economic depression in 1991 (Kantola, 2015; Vartiainen, 2011). This was followed by series of great transformations. Strong global right-wing trends that emerged in the 1980s continued to prevail in the 1990s (Kantola, 2015). Strong internationalisation characterised both economy and society: foreign investments grew notably and tied Finland to the global economy. Markets became increasingly prioritised at the expense of the state. The significance of economic competitiveness of national industries (export industry in particular) to the economic growth started to gain increasingly more attention in political discussion since the 1990s (Ruostetsaari, 2014).

The ideological and operational detachment of Finnish employers from the tradition of collective income policy started at the same time (Kantola, 2015; Bergholm, 2011). In 1991, the organisation of Finnish private sector employers (then STK), agreed upon the action programme that laid the ideological foundation for abandoning collective income policy. The central tenet of the programme was that the Finnish contract system should be reformed to allow more flexibility and local bargaining in negotiations about employment conditions (Bergholm, 2011). However, the organisational disunity of employers' peak organisations in the 1990s prevented them to act cooperatively to achieve the goal set by STK (Bergholm, 2011).

On the contrary, the election victory of Social Democratic party in 1995 and the consequent two Cabinets of Paavo Lipponen (1995-2003) signified a new return of collective income policy (Vartiainen, 2011). Lots of collective agreements were adopted, covering the years 1996-1997, 1998-1999, 2001-2002, 2003-2004 and 2004-2007. Income policy during those years was particularly strong: all industry sectors were involved and no sector-specific exceptions were made (Bergholm, 2011). Collective agreements turned out successful: economic competitiveness and economic productivity increased significantly during those years. Export industry started to flourish again (Kantola, 2015).

One explaining factor for why employers accepted the collective agreements at the time was the EU accession. EU's economic integration and monetary union had been long-term objectives for many Finnish employers and industries. However, the employers understood that the membership was possible only if it was pursued in consensus with the organized labour, because the workers and farmers constituted a significant proportion of the total voter base (Blom, 2018; Bergholm, 2011). In

exchange for the labour unions' support for the EU membership, the employers had to make concessions: first, they agreed to continue collective agreements at the time and, second, let the government strengthen the labour unions' position in the management of national pension funds (Blom, 2018). Consequently, the labour market organisations ended up giving a mutual public statement in favour of the membership. This was interpreted by many as an implication that the essential structures of Finnish contract model would prevail after the EU accession (Bergholm, 2011).

EU accession strengthened the position of labour market organisations in Finnish politics, at least in the short run. Research literature calls the period between 1995 and 2007 as EU-corporatism (Blom, 2018). Firstly, as explained, the labour market organisations together laid the political foundation on which the Finnish EU accession came to be built. Therefore, the government had a real economic and political interest to cooperate with the labour market organisations in EU and EMU questions in the future (Blom, 2018). Secondly, strengthening the labour unions' power over national pension funds made the unions more powerful, as the pension funds are major owners and financiers in Finland. Thirdly, even though monetary and agricultural policy competencies were transferred to the EU, losing these two from the domestic policy toolbox meant that labour market policy and finance policy became the most important and only available policy tools in domestic affairs. This reinforced the power of labour market organisations domestically, especially because the banks had lost much of their influence as owners due to the liberalisation and internationalisation of financial markets (Blom, 2018).

Nevertheless, the employers managed eventually to reorganize themselves by two fusions so that in 2005 there existed only one peak employers' organisation, EK, that represented all private sector employers and industries (Bergholm, 2011). Conversely, the workers' negotiation power had decreased due to economic globalisation – much of the production and jobs had moved abroad to cheaper countries which reduced the labour unions' membership base. Moreover, the rate of organized labour has shrunk in Finland since the income-tested unemployment benefit became available for workers also via other channels than traditional labour union. These negative developments translated into weaker negotiation power (Ruostetsaari, 2014).

In consequence, EK decided to withdraw from the collective income policy negotiations in 2007. No further collective agreements were made. Ending of collective income policy is an essential institutional turning point. The underlying motivation of employers in 2007 was to transfer the collective agreements down to sector-specific level to be decided by trade associations themselves. Decision were to be taken closer to the actual companies. It was argued the old centralized system was old-fashioned and that the companies should be granted with more freedom to adapt to the prevailing market conditions. Due to increased international competition and changed nature of

production, the negotiations on employment conditions should stress individuality, profitability, competitiveness and productivity (Bergholm, 2011).

The financial crisis in 2008 changed the economic environment unexpectedly and drastically, which resulted in temporary move back towards collective income policy solutions, although in notably looser and lighter form. The Jyrki Katainen's government (in office 2011-2014) agreed with labour market organisations upon two collective pacts for 2012-2013 and for 2013-2016 (Blom, 2018; Kantola, 2015). However, the pacts did not prove as effective as expected: the wages turned out as too high which increased production costs and deteriorated competitiveness. Economic growth was weak and the government's performance was found ineffective. Once Alexander Stubb took over the Katainen's post as prime minister in 2014, the tradition started to become increasingly criticized, now also by the prime minister himself (Kantola, 2015). In November 2015 the EK's internal rules were reformed so that it could not operate as a party in labour market negotiations (Blom, 2018).

Conclusively, the collective income policy-based governance approach, the core of characteristic of peak corporatism, has been abandoned in Finland. This signifies *decreasing level of peak corporatism*. It is important to note, however, that *peak corporatism has not died out completely*. The labour market organisations still possess strong powers in many tax, social and pension reforms. Their power is often not restricted only to the issues that are directly related to their policy sector or membership base. Instead, they tend to possess de facto policy capabilities also on issues that concern the nation as a whole. The tripartite method is still actively employed between the government and labour market organisations. The content of decisions made by those three, sometimes even by the labour market organisations alone, are really difficult for the Eduskunta to amend (Ruostetsaari, 2014; Vesa, 2016).

In addition to peak corporatism, *routine corporatism is also a prevalent form of corporatism Finland* (Vesa, 2016; Vesa et al., 2018). As outlined earlier, routine corporatism means "institutionalized integration of privileged interest groups into the pre-parliamentary stage of policy making and implementation (Vesa et al., 2018, p. 241)". It does not refer only to tripartite bargaining on labour market, economic and social policy but can exist in any policy sector. It can also include other interest groups than labour market organisations. In routine corporatism the interest groups are regularly invited or possess memberships to different committees, boards and councils organised by the state (Vesa et al., 2018).

The prevalence of routine corporatism has diminished over the last decades in Nordic countries except for Finland. In other Nordic countries interest groups are to a lesser extent invited to

the pre-parliamentary working groups and the like to prepare public policy, lobbying the parliament vis-à-vis the public administration has increased, and the political clout of NGOs over economic interest groups has increased. In Finland, on the contrary, similar developments have not taken place. Firstly, the government's pre-parliamentary working groups and the like are still very important targets for lobbying in Finland. In addition, interest groups have estimated direct contacts with civil servants as very important, if not even more important advocacy channel than the actual working groups. Secondly, lobbying public administration is deemed as more important than lobbying the parliament. Thirdly, economic interest groups, such as trade associations or labour unions, have clearly privileged position in policy formulation compared to NGOs. Out of economic interest groups, business associations tend to have upper hand while the position of labour unions seem to have weakened (Vesa et al., 2018).

At least three tentative explanations exist for the prevalence of Finnish routine corporatism. First, strong government vis-à-vis the parliament is commonly understood as a factor contributing to prevalence strong routine corporatism. Finland is, as mentioned earlier, a strongly executive-dominated polity that relies on strong majority government coalitions that rule without much effective opposition from the Eduskunta. In other Nordic countries political fragmentation has resulted in weaker governments, which translates into stronger opposition from the parliament. In consequence, the government is less able to engage with interest groups (Vesa et al., 2018). Secondly, the tradition of establishing somewhat binding Government Programme right in the beginning of each electoral term makes the nature of Finnish policy making relatively stable and long-sighted. In consequence, the public administration gets relatively long time, almost four years, to prepare the planned policies. This increases the importance of ministerial working groups in policy-making. In other Nordic countries minority government coalitions have resulted in shorter and more politicized policy processes, which has contributed to the increase of multi-channel lobbying at the expense of institutionalised cooperation between the public administration and interest groups. Thirdly, path-dependency and administrative routines, coming down to persistent bonds between civil servants and interest groups, might explain the persistence of routine corporatism in Finland. Namely, peak corporatism, which often implies also routine corporatism, was much stronger in Finland than in some other Nordic countries, such as Sweden (Vesa et al., 2018).

Finally, there is a wide consensus on that the EU accession has increased the power of civil servants at the expense of elected politicians (Raunio, 2017). The Eduskunta's constitutional capability of monitoring its government's EU affairs is particularly strong when compared to the majority of European states, however, this does not clearly fully compensate the legislative powers lost in the EU

accession (Raunio, 2017; Ruostetsaari, 2014). Civil servants play central role in preparing and presenting Finland's national policy positions in working groups of the Commission and the Council (Raunio, 2017; Ruostetsaari, 2014). This political preparation system is well-established and intra-ministerial cooperation in EU affairs is also clearly more systematic and intense than it is in domestic affairs. The EU-subcommittees that work under the supervision of respective ministry consists of civil servants and civil society stakeholders and forms the basis of the preparation system. Even though the Ministerial Committee on European Union Affairs coordinated by the Prime Minister is the most important and decisive body regarding the government's EU affairs, the national position will be typically locked already at the subcommittee level (Raunio, 2017). Moreover, there is scientific consensus on the argument that internationalisation politics and ever more technically detailed policy proposals have contributed to the strengthened role of civil servants, because ministers, MPs and top officials working mainly on domestic matters have rarely resources for in-depth scrutinisation of EU affairs. Moreover, civil servants hold their position over electoral terms, which deepens their professionalism on the dealt issues and reinforces their position in the policy process (Ruostetsaari, 2014).

4.4 Emergence of new PA-industry in Finland

As demonstrated in the earlier chapter, trade associations, labour unions and their peak organisations have been privileged and diligent lobbyists in Finland. They have traditionally dominated the lobbying scene in Finnish politics, while out of private companies only the largest ones have lobbied individually for themselves. The corporatist interest representation system has been well-suited to deal with inherent simplicity of Finnish politics where politicians, civil servants, citizens, media and interest groups interacts with each other in open and straight-forward manner (Collander et al., 2017).

After the EU accession in 1995, however, the Finnish PA-culture started to undergo change. Research literature on Finnish lobbying shows that throughout the 2000s and 2010s, the Finnish companies have started to increasingly utilise the external help of private PR and PA consultancies in their lobbying conduct. Consequently, the number, volume and professionalism of these consultancies have been constantly growing (Lounasmeri, 2018; Blom, 2018; Collander et al., 2017; Lounasmeri & Kantola, 2014; Blom, 2011). The trend is also expected to continue: ProCom, the Finnish Association of Communication Professionals, conducted a survey to Finnish communication managers, directors and the like, finding out that 40% of the respondents thought that public affairs is their most crucial area of improvement in the near future (ProCom, 2019a). Another ProCom survey, carried out in 2019, estimated that the future prospects of the whole communication industry, not only the PA, are promising and expected to grow (ProCom, 2019b). This trend is clearly in line

with similar developments elsewhere in Western Europe and US (Lounasmeri & Kantola, 2014) For instance, also Sweden has experienced growth and professionalisation of private PA-industry since the 1980s (Hedlund, 2017; Tyllström, 2013). It is interesting though that in Sweden where the corporatist contract system crumbled decades earlier than in Finland, also the evolvement of private PA-industry took off decades earlier.

An interview research on Finnish communication consultants by Lounasmeri and Kantola (2014) has shed light upon this development in Finland. That is not to say that their conclusions would not necessarily be apt also in international context, in fact, quite the opposite. First of all, Lounasmeri and Kantola link the increasing use of communication agencies to the rise of ‘promotion culture’, which is characterised by increased significance of private and public organisations’ external communication in both PR and PA. Professional communication is needed to carefully construct and maintain the organisation’s relations to society and public life in the age when publicity is unpredictable and more difficult to manage than before. The underlying motivation is to manage the organisation’s public reputation so that it conflates with the organisation’s own interests. This is expected to bring economic benefits in terms of increased market shares, profits and/or desired legislation from power holders (Lounasmeri & Kantola, 2014).

Secondly, Lounasmeri and Kantola (2014) pointed out that increased international ownership of companies and their more extensive global networks have contributed to the increased use of consultants: owners, clients, stakeholders and political arenas are ever more diverse and keeping the palette together requires professional communication.

Third explanation for the fact that communication agencies have acquired societal and political functions, according to Blom (2018), is that the top companies have become competitors to each other in their sectoral trade associations, thus making it harder to solve internal disputes in associations. As a result, companies have hired communication agencies to aid in political enquiry, communication and direct lobbying.

Communication consultancies help the client to compress its core messages into a clear, consistent and effective form so that they penetrate to the public discussion and political decision making. Compressing the message is pivotal in the current age of complex and fragmented media environment and constant information flood. PA-consultants also typically identify the crucial stakeholders, either with whom to build coalitions or to whom deliver messages. They can be journalists, civil servants, politicians, other companies, NGOs and so forth. The consultants can also identify the relevant public forums through which the message is spread. It is important to become a ‘thought leader’ who is able

take over the agenda in public debate, that is, to raise public discussion on certain issues and frame it in a way that is desirable to the organisation. The services also often include continuing media and policy monitoring to keep the client alert of current developments. These different services will be knit into a single communication strategy that the company starts to follow (Lounasmeri & Kantola, 2014).

The benefits of hiring a communication consultant in comparison to growing the expertise organically within the company are flexibility and effectivity: the consultant has the required expertise immediately at hand and once the operation has been undertaken, the consultant can be released from the duty without further constraints (Lounasmeri & Kantola, 2014). PA-consultants usually have personal background in party politics or public administration, which has enabled them to build a network of personal connections to decision makers. The network is utilised in setting up meetings between the client and stakeholder, or in inquiring information of recent political developments. Political background also enables the consultant to extract insider knowledge of policy processes and power structures. These qualities are at the central place in the commodity exchange between the client and communication agency (Lounasmeri & Kantola, 2014).

Finnish consultants tend to underestimate their personal influence on political outcomes and see themselves primarily as neutral bridge builders. Nevertheless, the fact that consultants tend to detach themselves from political ideologies in their work suggests that they operate under bare market logic (Lounasmeri, 2018). It then follows that the market logic enters into politics via consultants, as all communication consultants “serve as mediators among the elites, and as such participate in constructing the political agenda and discourse (Lounasmeri, 2018, p.387).” It is to be noted, however, that out of media and political consultants, the latter are considered to be more influential. Moreover, only a small core of Finnish political consultants is so well-connected to the political machinery that they could be called as political communication elite (Lounasmeri, 2018).

Regardless of increased interest towards public affairs management and increased use of communication agencies, lobbying is still not regulated in Finland. One objective of Finland’s Second Open Government Action Plan for years 2015-2017 was to estimate the degree of necessity for regulating lobbying and establishing a lobbying register in Finland. However, to date Finland does not have legislation nor official ethical guidelines on lobbying. Legislation is based on general legal framework, such as sections on bribing, administrative law and on laws concerning business. The situation is the same in each Nordic country.

In 2014 the Finnish Association of Communication Professionals, ProCom, established a voluntary register where its members providing PA-management services can announce their personal details and affiliations. The register is openly seen on ProCom's website and is updated at least two times a year. According to the association, joining the register is a statement in favour of greater openness and transparency in Finland's PA-environment. ProCom has no ethical guidelines for lobbying. The association objects legislation on lobbying by appealing to the exceptional smallness and openness of Finnish society. In contrast to that, however, a report by Transparency International notifies that in small and middle-size countries lobbying is in a firm connection to other societal networks based on kin and social class, which speaks in favour of need for regulation and public supervision of lobbying. Another vocational actor providing platforms for self-regulation of lobbying is Edunvalvontafoorumi, a consortium of Finnish communication agencies, firms and other PA-professionals'. Edunvalvontafoorumi has published ethical guidelines for lobbyists, to which all of its members commit themselves. However, Edunvalvontafoorumi does not have public register of its members (Korkea-aho & Tiensuu, 2018).

4.5 Finnish energy lobby in Helsinki and Brussels

Developments of Finnish energy lobbying in particular have already been studied to some extent, especially by Ruostetsaari (2010; 1998). However, extensive studies of Finnish energy lobbying focusing on the period starting from 2010 seem to be absent.

After the EU accession, the greatest change in power structures of Finnish energy sector has been the EU's growing competencies in energy policy and thus the greater role of 'Brussels' in decision-making. However, regardless of the Europeanisation of Finnish energy sector in terms of policies and markets, its core group of influencers in Finnish energy sector remained rather stable since the late 1980s till 2010s. In line with previous notions on Finnish political system, also energy policy in Finland is firmly government-led, meaning that the Eduskunta as an institution does not belong to the inner circle of energy policy. The key ministries in energy policy are the Ministry of Employment and Economic Affairs, Ministry of Environment and Ministry of Finance. Due to the prevalence of environmental issues in public discussion, participation of minister-level working groups to policy formulation has increased at the expense of civil servants. In the 2000s the main energy firms and interest groups belonging to the core insider group in energy policy have been Fortum Oyj, Pohjolan Voima, Neste Oil, EK and the Finnish energy sector's trade association Finnish Energy (ET). The Technical Research Centre of Finland (VTT) was also considered as a core insider. These organisations are influential and regularly consulted by politicians and civil servants in energy policy.

The second circle was composed of major firms of energy intensive forest and export industry, such as Stora Enso, UPM, M-Real, Outokumpu and Rautaruukki. They could also exert some influence on policy formulation (Ruostetsaari, 2010).

At the time many of the respondents of Ruostetsaari's interview research estimated that the public opinion has gained more foothold in energy policy. The respondent also considered the media as a counterforce that restricts the leeway of energy producers. However, the energy insiders considered that journalists are often not competent to comment on the developments of energy sector due to its really specific and technical nature. Relating to that, lots of policy preparation was done in cooperation with research centres, and the authority of experts over politicians was considered as strong. It is not unusual that expert opinions are sometimes used to further one's political interest (Ruostetsaari, 2010).

The business landscape of the energy sector is relatively fragmented. First of all, the field is divided between energy producers and users. Also, the producers alone form a heterogeneous group of firms whose business models include various energy sources and production methods, such as wind, solar, bio, gas and nuclear power (Ruostetsaari, 2010).

The fragmented field of interest organisations started to become more centralised between 1995 and 2010 in terms of the number of organisations. 2005 was the nodal point, when four smaller interest organisations, representing small and large electricity and heat producers as well as energy sector's employers fused into one trade association, the Finnish Energy (ET). The fusion pooled the resources and made the new organisation more effective, which enabled also more active EU lobbying. On the other hand, however, smaller businesses' voice in the organisation weakened and the heterogeneity of interests increased (Ruostetsaari, 2010). Bioenergy producers founded their own association in 2011, which came to represent the entire bioenergy sector from land ownership to forest and energy companies (The Bioenergy Association of Finland, 2020).

As previously noted, in 2005 the employers' peak organisations fused into single organisation, EK. ET's accession to EK brought forth some internal interest contradictions and thus weakened the EK's position in energy lobbying. Namely, the accession of ET to EK signified shutting down EK's own energy unit. Moreover, EK had gradually become to safeguard the interests of large energy users such as forest and metal industries, whereas ET safeguarded the interests of its own energy producers. These two interests can be really contradictory at worst. Some felt that EK was not capable of lobbying for energy affairs anymore. In addition to EK, the user-side of energy sector is also represented by sectoral trade associations of forest, metal and chemistry industries, but one single organisation for the issue does not exist (Ruostetsaari, 2010).

Conclusively, even though the energy sector's PA-field has become more centralised, the organisations' internal cohesion has arguably weakened. The biggest gainers of influence have been the large energy producers. Regardless of the weakened internal cohesion, the networks within the energy sector are comparatively tight knit, active interaction takes place between its agents both formally and informally, and mutual projects are organised (Ruostetsaari, 2010).

Energy firms and their trade associations exert influence on EU policy via two channels: the national and EU channels. The national channel is employed by attending working groups and hearings organised by ministries. The EU subcommittee for Energy and Euratom affairs organised by the Ministry of Employment and Economic Affairs is an essential body in this respect. Hearings are held also at the Eduskunta's special committees. In addition to these, the lobbyists further their interests by forming and maintaining personal and less formal ties to relevant ministers, politicians and civil servants. The interaction via direct and informal channels than has grown recently. In general, the interaction network in Finland is comparatively open and informal. This applies to policy processes in general as well. Some lobbying is also done by participating to political parties' internal energy and environment related working groups. Accordingly, the energy firms and interest groups invite politicians to visit their premises (Ruostetsaari, 2010).

The influence exerted via national channel over EU energy policy is not seen as significant enough, so lobbying is also done directly to the EU. The magnitude of EU lobbying has steadily increased between 1995-2010. Most of the energy related trade associations and largest energy firms have their permanent representatives in Brussels who keep them directly informed of the developments in EU politics. These representatives also form and maintain relations to relevant EU decision makers and other stakeholders. At the European level the personal contacts of lobbyists are at least as important as in Finland because, as of 2010, EU does not organise official hearings at any point (Ruostetsaari, 2010) (Note that in 2015 the Juncker Commission introduced the Better Regulation Package to put more emphasis on stakeholder involvement). Nevertheless, lobbying the EU channel does not necessarily require permanent representatives in Brussels. Relations of a firm or association to the EU and other stakeholders can be maintained also from Finland, and personnel might be sent to Brussels on a temporal basis if in-person contact is needed (Ruostetsaari, 2010). Lobbying the EU vis-à-vis the national channel has naturally decreased the industries' dependence on Finnish ministries and their EU subcommittees (Ruostetsaari, 2010). According to Blom (2018), however, the general perception is that in the 2000s majority of resources possessed by Finnish industries were devoted to domestic lobbying, while resources directed to following the EU institutions in Brussels are clearly short.

The Finnish energy firms and trade associations in Brussels are also members to European federations. As of 2020, the European federations and associations that ET is a member to are Eurelectric, Euroheat and Power, WindEurope and Geode (European gas sector's interest group). In addition to these, ET belongs to Nordenergi, a Nordic association for electricity producers, supplier and distributors (Finnish Energy, 2020). Chemical Industry Federation of Finland belongs to the European Chemical Industry Council (Cefic) (The European Chemical Industry Council, 2020). The Bioenergy Association of Finland is a member of pan-European association called Bioenergy Europe (The Bioenergy Association of Finland, 2020). Energy intensive metal industry's is represented at the national level by the Association of Steel and Metal Producers, which takes part of Eurofer at the European level (Technology Finland, 2019). Finnish Forest industries' main European federations are Confederation of European Paper Industries (CEPI) and the European Confederation of Woodworking Industries (CEI-Bois) (Siltala, 2018), whereas the Central Union of Agricultural Producers and Forest Owners, abbreviated as MTK, is represented by Copa-Cogeca (MTK, 2020). EK's peak organisation in Brussels is BusinessEurope, while it also has 5 permanent representatives in Brussels (EK, 2020).

To conclude, after the EU accession, in the late 1990s, the corporatist tendencies had weakened in energy policy networks: the number of interest groups in policy formulation grew, they competed with each other, the dynamic of the system favoured differentiation over integration and cooperation, and the network was open for new agents. This development was largely due to the energy market liberalisation and increased competition. In this network system, though, the interest groups were involved in policy formulation and implementation, and some groups succeeded in this better than others because of their expertise or converging interests with the state (Ruostetsaari, 2010).

During the 2000s, however, the corporatist tendencies strengthened again, while somewhere they weakened. None of the interest groups had monopolistic position in representation, although the field was highly centralised through fusions. Also, the centralisation of interest groups made the groups more heterogeneous which complicated lobbying. The interest groups occasionally cooperated with each other, but increasingly lobbied decision makers informally and individually. The groups did not formally participate to implementation, yet the state was highly dependent on their insights in implementation. Much of the energy policy was prepared in ministerial working groups where interest groups were regularly invited. The Energy and Euratom subcommittee opened up a new corporatist representation channel with its regular stakeholders. However, at the same time the significance of national channel in lobbying had diminished due to the growing EU lobbying (Ruostetsaari, 2010).

Regardless of increased corporatist structures in the 2000s, by observing the overall development from the 1990s to the end of 2000s, one can conclude that the energy policy networks have become more open and pluralist tendencies more common. This is largely due to increased EU regulation aiming at promoting renewable energies and cutting greenhouse gas emissions. Moreover, Ruostetsaari suggests that increasing EU environment and energy regulation might open up the policy networks even more in the future (Ruostetsaari, 2010).

5. Analysis: Interview data in relation to the empirical and theoretical background

5.1 Growing importance and professionalisation of lobbying

The interview data demonstrated there does not exist a straight-forward model for what organisations do lobbying, what EU directives they lobby and to what extent. On the contrary, the interview conversations demonstrated those factors are highly issue-dependent.

EU energy policy directives contain lots of legal content regarding multitude of issues such as energy markets, energy distribution, energy efficiency, subsidy schemes, promotion of renewable energy sources, EU emission trading system and so forth. To keep up with what kind of legislation is coming from the EU, it is highly important for firms and associations to conduct broad-scale policy monitoring.

However, not all energy legislation is deemed as equally important for a certain organisation. Some regulations and directives are more important than others. Also, often only some very specific parts of EU regulations or directives are deemed as so vital that the organisation initiates lobbying action towards them. Moreover, organisations can look at the regulations and directives from really different standpoints. The standpoints are determined by the organisations' interests, which can be manifold and also very distinctive between organisations. Whether the organisations' interests diverge or converge with each other is highly issue-dependent. In consequence, different parts of different legislation attract varying attention from different organisations.

Moreover, lobbying often takes a form of routine day-to-day bargaining that does not attain much of controversy or media attention. Nevertheless, sometimes certain parts of certain directives can become a matter of great controversy that attract fierce and simultaneous lobbying from competing sides. These sort of cases also tend to receive more attention from the media and initiate more public discussion.

Interview conversations demonstrated that the energy sector has become ever more interconnected to other policy fields, which contributes to increased complexity and increased political attention towards the energy sector. Most importantly, energy and climate have become almost inseparable entities, because energy policy is at the centre place in the combat against climate change. Energy questions have become highly topical and global. EU's high ambitions in energy and climate policy leads to increasing regulation in the energy sector.

In addition to climate, energy sector is increasingly linked to financing sector, as the EU has been introducing new financing instruments that seek to favour environmentally sustainable investment targets over unsustainable ones.

[Sustainable finance] is a very significant policy area for us, because it affects to the cost of borrowing money from financial markets... The cost of borrowing has vital consequences for success of the project (Interviewee 6, business representative, nuclear energy company).

Finnish energy sector is also closely linked to forestry and agriculture. There are two reasons for this. First, Finnish renewable energy production relies heavily on utilisation of bioenergy, and second, Finnish firms have high expertise in transport biofuel production. Both bioenergy and transport biofuel production use renewable biomass as its raw material, which is extracted from forests and fields (Koponen & Sokka, 2017). In this respect, a civil servant from TEM estimated that the 2010s signified a new phase in Finnish energy lobbying. Namely, EU renewable energy directive I, ILUC directive and renewable energy directive II adopted in 2009, 2015, 2018, respectively, signified gradually tightening sustainability criteria for renewable biomasses used in both bioenergy and transport biofuel production. In consequence, any interest organisation in Finland that is concerned about how Finnish forests are utilised, be it a firm, association or NGO, have strong opinions on how those sustainability criteria should look like in practice. TEM official assessed that the EU's interest in regulating the use of biomasses has already by now led to increased lobbying activities by Finnish industries. Moreover, the exact fate of biomass regulation is still a somewhat open question in EU, so the industries must stay alert. Also Siltala has noted this development. According to him, tightening EU regulation on the use of renewable biomasses has increased the Finnish forest industry's interest in EU affairs (Siltala, 2018).

One interviewee also noted that the dividing lines between energy sector and other sectors have become more obscure:

Lines between these different sectors have become more blurred to such an extent that it is justifiable to ask 'what constitutes the energy sector today?' (Interviewee 10, trade association)

Moreover, the potential impact of these sectors to each other has become harder to estimate in advance:

This sector is touched upon by so many different legislations. So many policy areas affect the energy sector either directly or indirectly. Especially bioenergy sector is affected by regulation on forestry, agriculture, renewable energy, emissions, industry policy and sustainable financing. This is probably the biggest challenge. Especially assessing the synergies between all these legislations can turn out as very difficult (Interviewee 12, trade association).

Interview data indicated that lobbying has always been of high importance in the energy sector. However, the data also consistently demonstrated that the importance and volume of lobbying have grown during the 2010s. A significant proportion of interviewees also estimated that the importance of lobbying will grow in future, while nobody asserted the opposite.

The EU's increasingly ambitious and pervasive energy and climate regulation came forth as the central contributor to increased importance of lobbying. Interviewee stressed that lobbying is needed to keep decision-makers informed of the consequences of their legislation. Secondly, importance of lobbying has grown also because nowadays the nature of energy affairs is highly international: energy sector involves ever greater number of actors. Thirdly, lobbying is important because new energy technologies emerge and try to make their way to the mainstream. In consequence, there exists a myriad of interests in the play, either defending the status quo or promoting progress.

Yes, the importance of lobbying has grown, very much so. It has also diversified in a sense that energy policy has become incorporated with climate policy... Also, this sector has expanded as these climate issues are global issues nowadays (Interviewee 8, civil servant, Energy Authority).

Energy industry is at the centre place in combating climate change... Lobbying has always been important in this sector, but I would say its importance is now growing (Interviewee 6, business representative, nuclear energy company).

There is political risk. New objectives are set by decision makers and things might work out on paper, but what are the consequences in the real world? ... You cannot take a rest and trust everything will sort itself out, but you have to be always awake... [Importance of lobbying] has grown and will grow. As said, quite vigorous lobbying has already been practiced for

Europeanisation of Finnish energy lobbying:
Towards more individualistic, international and competitive approach
quite a while in energy sector, but more businesses will surely come to realise they must be more active (Interviewee 4, business representative, Nordic-wide energy company).

Importance of lobbying has grown in the energy sector... Such extensive legislation packages have been introduced in this sector during the 2010s that lobbying has had a very significant role... If I had to estimate, I would say its importance has at least doubled... Importance is not about to decrease in future, quite the opposite (Interviewee 10, trade association).

Growing importance of lobbying has led to it becoming more systematic and proactive. Also, the focus of lobbying is increasingly placed on EU-level institutions (which is discussed in more detail in the next chapter).

Lobbying of Finnish industries has developed significantly. It has become more systematic. It has started to address the EU much better than before. Before the approach to EU lobbying has been really reactive, whereas now it has become more proactive. We have realised we must engage with the European level decision-making if we wish to attain reasonable or even bearable final results. Nevertheless, even though there has been development in this respect, we must not stop developing (Interviewee 10, trade association).

Conclusively, when the findings are contrasted to the literature, one can argue that Europeanisation of energy policy has led to grown interconnectedness of energy sector to other policy sectors. Energy is not tightly coupled only with environmental and climate policy, but also with other policy sectors. Interconnectedness has grown to finance sector due to the introduction of EU's sustainable finance instruments, and to forestry and agriculture due to EU's ILUC and RED II directives that introduced sustainability criteria for renewable biomasses used in bioenergy and biofuel production. Overall, EU regulation affecting the energy sector has increased and is probably going to increase in future. The sector is undergoing change and its boundaries are in flux. Political risk has grown. Industries must provide decision-makers with information that supports good governance. Political and public attention towards the sector has increased both domestically and internationally. Many interests exists that compete with each other over influence. In consequence, importance of lobbying has clearly grown during the investigation period, which has also led to growing magnitude of lobbying. In addition, Finnish energy industry's PA-management has become more systematic, EU-oriented and proactive. This trend may continue in the future as the EU's energy related regulation is expected to increase.

Reflecting to theory of Europeanisation, increasing level of EU regulation in the energy sector can be interpreted, from the point of view of Finnish energy industry, as creating 'misfit' between

European and domestic level processes. Namely, old lobbying methods designed merely for domestic policy processes are no more apt to secure the industry's interest in the new European environment where energy related legislation is increasingly prepared in Brussels. This misfit leads to adaptational pressure.

5.2 Lobbying the EU institutions

All trade associations that took part to the research are active lobbyists in Brussels, although majority of them do not have permanent office in there. Interview conversations demonstrated that the EU institutions are lobbied via two channels: via European federations and directly. Out of these two, European federations are employed more prominently. Trade associations can also be member to more than only one European federation. European federations are particularly helpful for associations due to their permanent presence in Brussels, which allows them to meet up with decision-makers on a daily basis. Also, the federations have good access to the Commission, whereas the prospects for influencing are evidently smaller when lobbying outside them.

The spectrum of different stakeholders in Brussels is really wide and we are quite a small actor in there (Interviewee 11, trade association).

We are quite a small actor in Brussels, which means the access to policy formulation is harder to gain there... Lobbying with European federation allows you to better access the Commission's DGs (Interviewee 12, trade association).

Direct lobbying is addressed to the Commission's officials, MEPs, and in some occasions to the permanent representation of Finland. Direct lobbying is more supplementary in its nature and occurs periodically depending on the policy issue. Not all associations are equally active and systematic in direct lobbying.

If we have problems with some very specific part of some EU directive, then we visit the Commission or EP to inform them about our specific opinions... but this happens more in bursts and we must always think what is the right time (Interviewee 10, trade association).

In the forest sector the Finnish industries' urge to practice direct lobbying by trade association is particularly prevalent. TEM official noted, in accordance with Siltala (2018), that the Finnish Forest Industries' interests are sometimes very different to its European federation on average, because of Finland's vast forest resources, high forestry expertise and economic dependency on forests. Therefore, the association seeks to influence the EU policy over its federation.

The data showed that Finnish trade associations are well-connected to each other in Brussels. Associations from different sectors cooperate with each other occasionally in energy and climate

related issues. This cooperation comprehends at least sharing information, organising common events and undertaking collective lobbying actions.

Civil servant from Energy Authority, in accordance with Siltala (2018), noted that sometimes Finnish trade associations that have normally very diverging interests to each other in domestic affairs end up pursuing a common agenda in EU politics. Overcoming disagreements and having a uniform message increases the weight of their lobbying in EU policy formulation, where Finland and Finnish organisations are otherwise considered as small actors. Collaboration is seen to cause more good when compared to each organisation pursuing their own agenda individually. This is the case especially with MTK, the wood seller in Finland, and Finnish Forest Industries, the wood buyer, who have often pursued a common agenda in EU affairs in the 21st century, although their rhetoric is notably different and directed to different audiences.

Finnish energy firms lobby in Brussels not only via their national trade associations and European federations, but also directly as individual firms. Direct lobbying is usually addressed to the Commission officials and MEPs. The Council is the least lobbied due to the difficulty to organise direct meetings with its very high-level decision-makers. While some firms rely more on associations, some put more effort to individual lobbying. Nevertheless, all interviewees stressed that not only one channel is employed out of the two, but that they are mutually reinforcing.

It is a good blend of both. If I had to estimate percentage-wise, probably 75% of our lobbying consists of individual action and 25% of collective action via association (Interviewee 4, business representative, Nordic-wide energy company).

We employ both channels... We have very strong networks in Brussels to EU institutions such as the Commission and EP. We are an active lobbyist also in other EU member states. In addition to this, we take part in our European federations and national trade association (Interviewee 5, business representative, international energy company).

The interest of Finnish energy industry especially towards the EP has increased in the past decade. The industries might be even better connected to the EP than the Finnish ministries.

Most importantly, in my opinion, they have understood and learnt to better network with the EP. They have learnt to navigate and influence in the European environment. In fact, we in the ministry must often ask them what is being currently discussed in the EP, as our internal resources for monitoring the EP are quite limited (Interviewee 8, civil servant, TEM).

Policy networks have not only spread to new institutions, but are increasingly expanded to also non-Finnish politicians, commissioners and civil servants. Instead of lobbying those Finnish politicians one knows beforehand, lobbying is increasingly directed to those decision makers who 'are the most relevant' regarding the policy issue. This is a step away from Finland as a club of closed circles in which 'everybody knows each other'. Yet it does not necessarily mean the Finns would not be tightly connected in both Brussels and Helsinki anymore, but just that the networks have expanded also beyond that.

Conclusively, when the findings are contrasted to the literature, one can argue that the basic structure of Finnish energy industry's policy networks in the EU has remained the same from Ruostetsaari's (2010) notions. Some of the trade associations are permanently present in Brussels, while those that are not manage their European affairs from Finland and conduct temporary visits to Brussels whenever needed. Cooperation with European federations still forms the backbone of trade associations' PA-management. This is supplemented by direct lobbying, either alone or in cooperation with other trade associations, either Finnish or foreign ones. The Finnish Forest Industries stood out as particularly active direct lobbyist due to their somewhat converging interest with their European federation. Also energy firms practice direct lobbying outside their national trade associations. The findings contribute to the literature by showing that even if the Commission has remained as the most essential lobbying target for Finnish energy industry, attention towards the EP has grown during the investigation period. In addition, personal contacts of Finnish lobbyists in Brussels have become more international.

The findings regarding trade associations support and reinforce the understanding of the EU as elite pluralist interest representation system. Even though the notion of elite forum politics was first made in relation to direct business lobbying, I would argue the same analogy applies to direct lobbying by trade associations as well. Namely, trade associations must compete with other interest organisations to gain meaningful access to EU policy formulation. This requires resources, expertise and a reputation as a reliable pan-European actor. Due to resource-intensity of direct lobbying, it is often only a supplementary method to lobbying via European federations.

From the point of view of democratic legitimacy of lobbying, prevalence of elite pluralist tendencies in the EU representation system imply presence of some undemocratic qualities. Competition among the associations drives up 'the price' of favourable policies and resources are never equally distributed in real world. In consequence, associations with more resources, be they networks, information, political support or whatever, are better able to gain access and representation.

This is undemocratic on the basis that it conflicts with Bitondi's (2017) concepts of openness and fairness.

Reflecting to theory of Europeanisation, Finnish energy industry's lobbying efforts in the EU proves that the industry has reacted to the adaptational pressure by adapting its procedures to the European system of governance. Adaptation can be explained by logic of consequentialism: energy firms are rational and goal-oriented agents that seek to further their interests by exploiting the new opportunity structures of European environment. Europeanisation of Finnish energy industry's PA-management is stimulated by the EU itself, as it provides domestic actors with either material or immaterial resources to exploit new opportunities, for instance, by organising committees, working groups and other hearings for stakeholders. Europeanisation leads to differential empowerment of actors. Due to the EU's elite nature, resourceful organisations are better able to exploit new opportunities offered by Europeanisation compared to poorly resourced organisations. Also, industries can increase their power vis-à-vis the Finnish government, as they become capable of circumventing the government by engaging directly with the EU.

5.3 Lobbying the Finnish Ministries and the Eduskunta

Interview data showed that the Finnish ministries constitute an important lobbying channel for the Finnish energy industry. Also the Eduskunta is lobbied, even if to a lesser extent. TEM is clearly the leading ministry in Finnish energy affairs, after which comes the Ministry of Environment and then, in a marginal role, the Ministry of Finance.

The industries and other societal stakeholders are typically heard in TEM's EU-subcommittee on energy affairs or in other working groups organised by the Ministry. The data consistently indicated that the majority of lobbying in Finland, both in relation to policy preparation and implementation, happens via trade associations. Associations, especially ET, were described as very central policy actors, who tend to have a major presence in ministries' working groups. Usually also the largest firms are represented individually in those working groups. For instance, in relation to RED II and its legislation on biofuels, working groups were established including a handful of largest individual companies from the field.

We have quite long-term cooperation going on with TEM officials and its energy unit. Experts from our Helsinki office maintain connections to civil servants and visit TEM's working groups. This dialogue may sometimes take even years before any legislation comes out (Interviewee 11, trade association).

I would say that in Finland the associations' representation is, perhaps surprisingly, in more significant role than direct business-representation (Interviewee 12, trade association).

[Associations' position in policy process] has remained very strong. They are central actors. If you are looking for influential lobbyists, they are in the associations (Interviewee 9, business representative, communication agency).

In Finland, the civil servants in charge of the policy preparation are the primary subjects of lobbying, although also the minister is often briefed about the issue. Lobbying the minister was particularly important in RED 2 preparation because established political position on the policy issue existed. When the civil servants were lobbied, they often referred to this political position.

The lobbyists move to the Eduskunta's special committees to give statements once the working group report proceeds there for hearings. This was the case also with RED 2 preparation, when national politicians were actively lobbied. In the Eduskunta the leading committee in energy affairs is the Economic Committee.

Civil servant from Energy Authority noted that impartial organisations tend to be underrepresented in pre-parliamentary working groups and in the Eduskunta's special committees, while the hearings are dominated by the same economic interest groups. For instance, the Eduskunta's archive (Eduskunta, 2019) shows that when the Finnish government sent its position paper on the RED 2 legislation to the Eduskunta for hearings, the majority of stakeholder were economic interest groups. Out of 96 experts heard in the Eduskunta, 35 represented economic interest groups, 16 represented individual firms, 21 Finnish Ministries, 18 either impartial government agencies, research institutes or universities, and 6 NGOs.

In addition to TEM's EU-subcommittee on energy affairs and other working groups (deemed as more formal channels), both associations and firms also lobby the Ministry directly via less formal routes. Individual connections are maintained to many levels of administration. Whereas, say, the CEO of a company could meet up with minister-level politicians, lower level experts maintain connections to civil servants who prepare the legislation. Interestingly, several interviewees stressed that they would avoid using the word 'informal' in this context, as it gives a somewhat wrong image of this relationship that was described as open and straightforward.

Civil servant from TEM did not see meaningful changes in how much formal and informal channels are utilised in relation to each other. Also, TEM official saw that no change has occurred in the effectivity of either of the channels. Same civil servant interestingly noted that stakeholders participating the working groups tend not to reveal all details of their opinions in the groups. Instead,

organisations tend to prefer to discuss the issues in more detail in individual meetings. Also, industries tend to lobby more via individual meetings with civil servants if the level of internal disagreements in the sector is high.

Whether the firms' political advocacy is more focused to the Finnish government in Helsinki or to the EU institutions in Brussels varies between firms. A representative from Finnish bioenergy company that had only recently started to run its own individual PA-operations due to the upcoming RED 2 legislation said that:

[The target of our lobbying in relation to RED 2 was] primarily the Commission and the EP. The Finnish Government was also lobbied, of course, but to a lesser extent (Interviewee 2, business representative, bioenergy company).

On the other hand, a firm with a longer history with individual PA-management stated that:

The ratio is probably that 75% of resources are dedicated to Helsinki and 25% to Brussels. That is what we strive for. Of course we have PA-operations also in Sweden and Norway, which support the operations in Brussels. If it was up to me, I would place more resources to Brussels (Interviewee 4, business representative, Nordic-wide energy company).

In addition to these viewpoints, the interview data also consistently stressed that the focus of political advocacy is directed to that country and to that institution where the policy process goes at the given time.

Conclusively, when the findings are contrasted to the literature, many continuities can be detected with regard to Finnish policy networks. Ministries are lobbied more than the Eduskunta, and TEM is lobbied more than other Ministries. Civil servants are still the central lobbying targets. It is still important to be in contact also with the Minister especially in large policy packages, when political leadership is stronger and public attention higher. The interview findings make additional contribution to this argument: similar logic seems to apply also to the Eduskunta – when the policy issue has more public visibility, such as RED 2 had, also Finnish parliamentarians are increasingly lobbied.

Both firms and associations keep lobbying via formal and informal routes. What is noteworthy, however, is that whereas Ruostetsaari (2010) mentioned that interaction via direct and informal channels had grown during the 2000s, the findings indicate this development has not continued in the 2010s. However, it was found that informal individual meetings are preferred over formal collective ones when talking issues in more detail, especially when strong controversies prevail in the sector.

The findings imply that Finnish energy politics reflect some characteristics of routine corporatism, understood as “institutionalized integration of privileged interest groups into the pre-parliamentary stage of policy making and implementation (Vesa et al., 2018, p. 241)”. Namely, the trade associations, which are few in number in Finland, are very central policy actors in Finnish policy process. Moreover, economic interest groups seem to be overrepresented in the government’s working groups in comparison to impartial interest organisations. Nevertheless, the argument of prevalence of routine corporatism remains suggestive as the data does not show what is the exact level of competition, openness and integration in the system. Routine corporatism in Finnish politics in general and in energy politics in particular should be more researched. Regardless of routine corporatism, increased lobbying via EU channel alongside the national channel implies increased openness and pluralism of policy networks in overall picture.

From the point of view of Europeanisation theory, the Finnish government’s active engagement of societal stakeholders with EU policy preparation can be interpreted as an attempt to provide veto points in a country’s organisational structure that hinders Europeanisation of Finnish energy industry’s PA-management. However, as has been shown, those veto points are not substantial enough to help the industries to resist the adaptational pressure exerted on them by Europeanisation of energy policy.

5.4 Difference between PA-environments of Helsinki and Brussels

The data was consistent on that the defining characteristics of PA-environments of Helsinki and Brussels are really different to each other. The interest representation system in Helsinki is characterised by limited amount of societal interest groups who are quite familiar with one another and with decision-makers. The state proactively involves societal interests to policy formulation and implementation. The process itself is perceived as clear and open.

We are a relatively small country and people know each other pretty well here. That is our advantage (Interviewee 10, trade association).

When the ministry starts to work on some policy issue, it contacts already at that point the central actors in the field and may invite them, for instance, to a working group. Those who are affected by the policy get really involved with it and are informed about it. Once the policy paper is ready and sent to the Eduskunta for review, you may have been in the working group even for a year... Even if you as a firm do not know how the system works, you are approached... This is a really straight-forward and open procedure (Interviewee 6, business representative, nuclear energy company).

In Brussels, on the other hand, the interest representation system is more crowded, diverse and complicated. The system is also more ‘passive’ in a sense that running successful PA-operations in that environment is based more on one’s own activity and personal connections.

Your own activity, thirst for knowledge and getting your foot in the door is really important in Brussels, if you wish to forward your message and obtain information. It is really important. Nobody comes to pick you up (Interviewee 4, business representative, Nordic-wide energy company).

It requires effort and a network of own kind to find about where to be and when, especially if your own location is in Helsinki. It is also a challenge of its own to recognise what are the important events and what are not... [The system in Brussels] follows different dynamic, but once you learn it, it becomes easier to navigate in it (Interviewee 10, trade association).

PA-management [in Brussels] is based much more on personal connections than in Finland... you might not even know if some legislation is prepared, or you might hear about it with short-notice if your network is not in good shape... Obtaining an understanding of the policy process and creating the personal relations are more difficult there (Interviewee 6, business representative, nuclear energy company).

Conclusively, when reflected to the literature, the findings imply that regardless of Europeanisation of Finnish politics and economy, the industries’ policy networks in Finnish interest representation system have retained some traditional Finnish characteristics: inherent simplicity and openness. This reflects prevalence of the long tradition of consensus culture, corporatism and involvement. On the other hand, the findings also reinforce the understanding of EU as elite pluralist interest representation system that is fast-paced, complex, interest-crowded and diverse. In contrast to Finland, one’s own initiative, resources, expertise and networks play more important role in Brussels than in Helsinki in gaining access to policy formulation.

5.5 Collective vis-à-vis individual lobbying

Interview data showed that lobbying the EU collectively via trade associations and European federations is highly beneficial for Finnish energy firms. Collective PA-management brings together different actors from the field, which allows effective information exchange and consensus building. Collective channel also allows the firms not having their own office in Brussels to be continuously represented to the EU. Collective associations take care of policy monitoring, contacting people and

of actual lobbying. European federations have also, as somewhat integral part of the EU's institutional structure, good access to the EU policy process. Speaking out 'by one mouth' also increases the weight of presented argument.

The difficulty of the collective channel, on the other hand, is that messages are left purposefully vague, because they represent the lowest common denominator between the member organisations. The firm cannot speak out for itself alone and the policy positions do not always touch upon all the issues that the firm sees desirable. An issue might be left out of the agenda either because the association does not reach consensus on it, or simply because it might just not be of priority for the organisation as a whole. In this sense, direct lobbying is more straightforward and able to emphasize certain things more concretely.

In large and remarkable policy packages you do not always get everything you want [if you act collectively]. But when you do it yourself, with your own footwork, then you get to deliver the messages that are the most central for your organisation and business model (Interviewee 4, business representative, Nordic-wide energy company).

The interview data indicated that generally the associations work well without major disputes, even if are not always capable of reaching consensus on every policy issue.

The data implied that forming consensus and taking collective action can be easier in specific energy sub-sectors where the number of actors is smaller, such as in nuclear sector which is consisted of only handful of firms.

There are not really dividing lines within our sector. Actors in nuclear energy sector understand they are in the same boat. Those issues that have impact on us are very similar. If building a new nuclear plant or extending the life-span of an old plant is made more difficult, it affects each nuclear energy company in Finland (Interviewee 6, business representative, nuclear energy company).

The firm's decision to engage with direct lobbying or to stick with collective channel is affected by its resources, its geographical scale and business model. The data indicated that resourceful and multinational firms are more prone to lobby also directly.

We employ both channels. We have better prerequisites to conduct lobbying than smaller firms... The difference between us and other Finnish energy firms is that we are more international, so we have different interests than the member organisations of ET on average. For this reason we cannot rely only on national trade association, but we have to do it also by ourselves (Interviewee 5, business representative, international energy company).

[Large firms] have more resources for direct lobbying. Also, grater revenue and greater scale in general means you have a greater reason to be aware of what is happening around you (Interviewee 4, Nordic-wide energy company).

Not all firms that would be capable of lobbying individually necessarily do so on a daily-basis. Firms may monitor EU politics actively, but whether they engage with direct lobbying also depends on the nature of the policy issue. The firms must calculate what sort of PA-operation is, first, necessary, and second, economically feasible.

When the policy issue on the table is not hot, the emphasis of our PA-management is more on trade association. Thus, the volume of direct lobbying fluctuates more (Interviewee 6, business representative, nuclear energy company).

The data was consistent on that smaller firms are more prone to use only trade association in their lobbying efforts due to scarcity of resources. However, this is not always solely determined by the size and internationality of a company. Also smaller more nationally-oriented firms might engage with direct lobbying action if the policy issue is deemed as important enough.

If a firm recognises some issue as being vital for the continuance of its business, it can be an adequate reason for them to engage in direct lobbying... I do not see there exists any principal threshold to this in our sector (Interviewee 12, trade association).

Conclusively, the findings support the notion in the literature that trade associations and European federations provide very cost-efficient and relatively effortless way for Finnish energy firms of all sizes to manage their European public affairs. The collective route can be supplemented by direct route, which is, however, more resources-intensive. The decision to engage with direct lobbying is based on the calculation of its necessity and costs. Both channels are mutually reinforcing, both having their pros and cons. Often large and international firms are more inclined to continuous direct lobbying due to their more versatile interests and larger resources, whereas middle-size and small firms do it on a more occasional basis, if at all. The findings also support the idea of EU as elite pluralist interest representation system where the firm's access to policy formulation is determined by its resources, expertise and networks.

When reflecting to the theory of democratic legitimacy, unequal distribution of resources among energy firms may easily translate into biases in policy process and thus into decreasing democratic legitimacy of lobbying. Namely, in addition to lobbying via associations, large and resourceful firms are more capable of transmitting their firm-specific interests directly to decision-makers and thus gain more representation compared to smaller firms. This is in conflict with Dahl's principle of equality of political participation.

The findings reflect the logic of consequentialism and differential empowerment of actors by Europeanisation: whereas the misfit between domestic and EU level processes provide some actors with opportunities, some actors are provided with constraints. The EU's elitist interest representation system is more accessible to resourceful organisations.

5.6 Unequal power relations in trade associations

Interview data pointed out that although trade association's primary task is to combine the interests and form consensus among its member organisations, large firms have more power in trade associations. The firm's voting power in trade association is proportional to the amount it pays membership fees, which is determined by the firm's size, for instance, in terms of its revenue.

Naturally larger firms have more [power in associations]. More production, personnel, revenue and everything, so their weight is also larger. It would be odd if a local electricity company had more power than [a large international energy company]. However, this is not to say they are overran. Instead, the association's job is to find consensus, because then its message has the greatest weight (Interviewee 6, business representative, nuclear energy company).

However, the firm's size does not automatically correlate with its *influence* in the association, because in order to have influence, the firm must actively participate in the association's work. Thus, small firms can mitigate unequal power relations to some extent by active participation. However, it is to be noted that large firms have also more resources to participate in discussion and preparation of policy positions, which again emphasizes their power.

Larger firms have also more resources to take part to discussion and put effort to formulation of policy positions. The role of larger firms gets a little bit emphasized also in this sense. On the other hand, however, the organisations jobs is to make everybody heard (Interviewee 11, trade association).

Conclusively, unequal power relations within trade associations in terms of voting power and resources to participate in the association's work reflect, again, looming undemocratic tendencies of EU lobbying. While resourceful energy firms are capable of promoting their interest directly to decision-makers, they have also better prospects to shape the political views of the associations they are members to. This notion supports the previously mentioned argument of Ruostersaari (2010) that centralisation of the field of Finnish trade associations between 1995 and 2010 led to weakened internal cohesion of associations, in which the biggest gainers of influence were the large energy

producers. The findings reflect again differential empowerment of domestic actors by Europeanisation.

5.7 Disputes within trade associations

The interview data showed that if the nature of internal disputes within an association is too fundamental, the association might be dissolved altogether. For instance, this is what happened with the Finnish Petroleum and Biofuels Association (*Öljy- ja biopolttoaineala ry*), which was dissolved in the beginning of 2019 due to internal disputes. It was said that the energy sector in terms of both domestic and EU regulation has changed to such an extent that it became really difficult for the organisation to formulate policy positions that satisfied the entire membership base. For that reason, according to the organisation's former chair, Matti Lehmus, there does not exist adequate grounds for such a large-scale employers' organisation anymore (STT Info, 2018). Civil servant from Energy Authority stressed that especially smaller members of the association did not feel their voice was adequately heard, which led to disintegrating development.

Many of the interviewees across the spectrum agreed that also the Finnish Forest Industries has had somewhat weak internal cohesion in ILUC and RED II preparation. The largest companies possessing most of the voting power in the association have not managed to come to terms on how certain raw materials or residues should be allowed to be utilized in biofuel production. The debate, which also took place at the EU level, comes down to scarcity of raw materials: allowing the producing of transport biofuel out of certain raw materials reduces the availability of that raw material for other purposes. In simple terms, the dividing line is between companies that are involved in biofuel production and companies that are not involved. The data showed this tension regarding biofuels is not restricted only to Finnish Forest Industries, but similar dividing lines have also been present in the membership base of Chemical Industry Federation of Finland.

The data showed that the debate over proper utilization of pine oil in biofuel production is one of the most visible, but not the only, example of this tension in the Finnish context. The pine oil example is not restricted only to Finland, but has been debated also at the EU level. The pine oil case was notified also by the media (Pohjala, 2017). Whereas the Finnish biofuel producers wanted to use that scarce resource to biofuel production, which was now made feasible due to the invention of new technology, other companies wanted to utilize the resource in making products of higher refinement stage. The latter technology has already been practiced for decades if not a century and is capable of producing more long-lasting products. Giving priority to these long-lasting products over biofuel production is called as cascading principle. The stakeholders' interest lied in influencing the legal categorization of pine oil, as it had vital consequences on how it could be industrially utilised. In

simple terms, if pine oil was categorized as by-product of a certain industrial process, no biofuels production would have been allowed, because something more long-lasting could be made out of it. On the other hand, if it was categorized as residue, which is what happened in the end, it could be utilised in biofuel production. Categorizing pine oil as residue also allowed the ‘double-counting’ of this fuel in national renewable energy production, which arguably distorts the market of raw material (Pohjala, 2017). Also, pine oil being residue also allowed pine oil based biofuel production to receive government subsidies, without which the production would not have been economically viable for companies. The firms could not come to terms on the proper categorisation of pine oil. In consequence, Finnish Forest Industries has stopped taking a stand on this particular issue and lobbying is done by firms individually outside the association.

Sustainability of biofuel production, in turn, relates to the larger European debate over what types of biomasses are considered as sustainable in energy production in general. European countries having vast forest resources have typically promoted the view that the list of allowed raw materials for biofuel and biomass-based energy production should be kept as wide and flexible as possible (Pohjala, 2018).

The interviewees estimated the pine oil dispute as very exceptional. However, a civil servant from TEM assessed that the number of this sort of controversies has grown slightly during the past decade. Also, many interviewees agreed upon that similar disagreements might become more common in the future, because resources will be ever more scarce while raw materials and production processes are likely to be placed under greater scrutinisation. Also, technological development will likely enable the industries to use certain raw materials for different purposes in the future. Once industrial prospects of raw material change due to technological development, new firms might become interested in it and engage in a debate with other firms over how it should be utilised. This naturally translates into increase in lobbying, as the firms try to persuade the legislators of the proper nature and utilisation of raw material.

Conclusively, dissolution of the Finnish Petroleum and Biofuels Association and disagreements in forest and chemical industries regarding biofuel production imply that the biofuel sector is notably an antagonistic sector where reaching consensus is difficult. This supports the Ruostetsaari’s (2010) argument on weakened internal cohesion of associations, although only in the biofuel sector. Even though big controversies such as the one of pine oil are generally exceptional, their number has grown during the investigation period and might continue to do so. This is explained by the constant advancement of new technologies that change industrial prospects of raw materials and by growing political interest towards sustainable production processes. The chapter also demonstrates that when

disagreements within associations increase, direct business lobbying outside associations increases as well.

5.8 Increasing importance of individuality and business coalitions

When considering all firms represented by the three interviewed trade associations, the group of firms conducting individual EU lobbying, either permanent or more sporadic, is a minority. Moreover, conducting direct PA-operations does not mean the firm is permanently present in Brussels. Depending on the association, the number of firms conducting direct PA-operations in Brussels is percentage-wise about 3-10% and in number about 5-15 firms per association. These numbers give some idea of the ratio, but cannot be taken as face-value. Several interviewees pointed out that the largest businesses in the energy sector have clearly more extensive lobby organisations in both Helsinki and Brussels than traditional trade associations themselves.

The majority of interviewees including civil servants, trade association and business representatives estimated that the current trend in the Finnish energy sector is and has been increasing individuality in PA-management. The primary reason for this development is the firms' urge to be able to freely present policy makers with more distinctive and precise arguments than those formed in their trade associations.

So far we have lobbied in Brussels via our trade association, ET. This has been supplemented by direct contacts to Finnish politicians in Brussels, but ET has been the main focus. However, we are now hiring our own internal PA-manager, which allows us to increase direct lobbying in Brussels. In this sense, things are changing. We have notified that trade association alone is not necessarily always a sufficient method... We are eager to influence also directly, because the membership base of ET is wide and thus the association cannot always emphasize certain things as much as we would like (Interviewee 3, business representative, electricity and district heating company).

Associations are by no means going to disappear, but I would say that in the larger picture the firms cannot continue externalizing their entire PA-work entirely to the trade association alone so that they attend their association's meeting once in a quarter year. In a sector where significance of regulation is so high for business, one must be active and look after one's own interest... Maybe associations are going to be little more fragmented in the future (Interviewee 4, business representative, Nordic-wide energy company).

Another reason for the growing need of firms to set up their own internal PA and PR units was the new obligations set by the media and public: a firm must always be ready to tell the other about its operations.

The general trend in this sector is that you must always be ready to tell the others why are we doing what we are doing (Interviewee 10, trade association).

On the other hand, some interviewees, although a minority, thought that no such individualistic development occurred, at least in the traditional energy sector. However, some noted this could be the case in other sectors, such as in forestry or finance.

I do not see there has been particular growth [in direct business lobbying] (Interviewee 11, trade association)

There have been signs of a shift from centralised to more individual approach in lobbying, not necessarily in energy politics but, say, in Finnish Forest Industries or Finance Finland. In energy politics it has not really happened (Interviewee 6, business representative, nuclear energy company).

However, the actors saying individuality has not increased are representatives of organisations whose existential purpose is based on the need of collective action or representatives of firms operating in nuclear energy sector which is, in the light of data, characterised by relatively high level of consensus. Also, growing individuality does not necessarily come forth as major disputes within associations that lead to dissolution of the association, but can also appear in more modest forms.

The interview data's another indication of importance of individuality, or at least of ineffectiveness of traditional trade associations, was the conceived importance of business coalitions in lobbying.

We did not try to influence [RED II biofuel] legislation via our trade association because it could not concretely grasp the issue... In this sort of policy issues the association's position must be made quite vague or universal... Then promoting smaller firm-specific interests is more straightforward in issue-based business coalition or individually... [Significance of coalitions] has increased and is probably going to increase in the future, maybe because traditional sector lines are in motion in the energy sector (Interviewee 2, business representative, bioenergy company).

The data showed that especially other Nordic energy companies are desirable partners to lobby with. Cooperation is natural because the Nordic countries share similar views of what the future energy market should look like. For instance, the Nordics have shared energy market and they generally

promote high market competition and high proportion of renewable energy. This is in contrast to, say, some Southern European states that, in general terms, favour less ambitious climate policy and wish to retain single state-owned companies that tightly control the energy market.

Our notion is that PA-management is more effective when it is done individually or via business coalition... [An example] of these coalitions of like-minded companies is our Nordic coalition that has operated already couple of years and attempts to promote the Nordic vision of energy markets in the European discussion. We have used this coalition to promote many policy issues. The importance of coalitions has surely grown during the recent years, or maybe they have always been important, but at least now we have discovered them very useful (Interviewee 5, business representative, international energy company).

For instance, we are now going there, [Brussels], together with Swedish nuclear energy companies. It is easier this way, because everybody gets the same update and more importantly, the meeting is easier to organise and it has got way more weight when the whole industry is present. This saves time and also the nerves and interest of MEPs (Interviewee 6, business representative, nuclear energy company).

In addition to traditional energy sector, similar geographical blocs exist also in forestry, which is the major source of Finnish bioenergy. Both Finland and Sweden are European exceptions because of their vast forest resources, high forestry expertise and economic dependency on forests. The interview data demonstrated there prevails an attitude in Finnish forest industry that other European countries do not possess adequate knowledge of how to manage forests properly. Therefore, the EU's forest policies tend to be harmful interventions. In this sense, Finnish and Swedish firms form a really distinctive bloc in European forestry and bioenergy sector for whom it is natural to cooperate in PA-management.

Nordic cooperation is not necessarily practiced only by firms, but also by trade associations, for the same reasons. For instance, an interviewee representing a trade association noted they have a shared office in Brussels with Swedish, Norwegian and Danish associations, where lots of cooperation is being done.

Conclusively, when contrasted to the literature, the continuities are that still only a minority of Finnish firms conduct direct EU lobbying, and even less have permanent offices in Brussels. What is noteworthy, however, is that some of the largest firms have more extensive lobby organisations in both Brussels and Helsinki than the trade associations themselves.

In relation to Coen's (2009) notion that direct business lobbying in the EU policy process has become to challenge traditional forms of collective action, the interview findings add up to this by showing that the trend has continued during the investigation period, and is expected to continue in the future. Firms increasingly feel that a collective route alone is not an adequate means to effectively look after the firm's interests.

The findings also add up to Coen's (2009) notion that the growth of collective lobbying takes increasingly form of ad hoc issue-based alliances instead of trade association or coalition with national stakeholders. The findings show this trend has continued in the Finnish energy sector during the investigation period and may continue in the future. Especially the collaboration with Nordic stakeholders comes out naturally. The increased importance and perceived effectiveness of issue-based business coalitions in PA-management reinforces the argument of importance of individuality in lobbying.

Logic of consequentialism can be used to explain increasing importance of individuality in Finnish energy industry's PA-management. Energy firms are rational and goal-oriented agents that engage in self-interested strategic interactions by weighing the cost and benefits of the interaction. A firm engages with direct lobbying if the firm believes it produces more benefits than costs.

Energy firms' grown interest in conducting PA-management outside trade associations either individually or in issues-based coalitions with partners also beyond national borders indicates taking a step away from corporatism and Finnish consensus culture. In other words, policy networks are, as Ruostetsaari (2010) suggested, opening up. They are becoming more international and competitive, while the actors' movements in those networks have become to embrace more flexibility, pragmatism and broad-mindedness.

5.9 Communication agencies support individual lobbying

The interview data showed that communication agencies have become an integral part of Finnish energy industry PA-management in the past 10 years. The majority of interviewees notified the supply and utilisation of communication agencies have grown in the energy sector. Out of the six interviewees representing energy companies, five said they have employed or continue to employ communication agencies in supportive and preparatory tasks when conducting PA-operations in Brussels and Helsinki. Communication agencies are used to support especially the firms' individual lobbying when the firm-specific interests are strong and cannot be promoted via trade associations.

The interview data showed that the communication agencies' value is not so much in their technical knowledge of the energy sector but in their political networks and political intelligence. Also, firms tend to use communication agencies only in supportive tasks, while the actual lobbying

practice is left for the energy firm's own personnel. A message delivered by a communication agency does not generate the same level of trust and does not reach the same level of weight. Also, in-house personnel often have the strongest technical expertise on the issue that is needed to be able to adequately communicate the message to those responsible of policy formulation.

Trade associations may also use communication agencies, but clearly less than private firms. Associations, however, tend to use communication agencies primarily for other communication operations than PA-management. Generally, the associations do not need the agencies' PA-services to the same extent than firms because they are lobby organisations themselves and thus possess the required expertise for running PA-operations on their own. However, sometimes, even though very rarely, also PA-services might be purchased from communication agencies.

In our PA-operations we do not use communication agencies to networking, setting up meetings or delivering messages, because lobbying is our own core function. We may use them in other communication projects, for instance, related to graphic and visual communication, but not in PA-communication. Actually, once we used a communication agency in Brussel as sort of a sparring partner to check if we know everybody we should and this sort of things (Interviewee 11, trade association).

The interview data demonstrated that firms of all sizes may employ communication agencies in their PA-work. Large firms are less reliant on communication agencies when compared to middle-size and small firms, because they have the required capacity to carry out their entire PA-operations internally. However, despite their own lobby organisations, large firms also use communication agencies to support their PA-work in Brussels and other locations where they exert influence.

We may use communication agencies in Finland and in our other locations to policy monitoring, identifying relevant decision-makers, gaining knowledge of government's intentions, to find out why some policy objectives are not materialising and this sort of things (Interviewee 5, business representative, international energy company).

Whereas some large firms might employ communication agencies only on occasional basis, some might utilise them more continuously. Generally, large firms have a lower threshold to employ communication agencies compared to smaller firms.

The interview data indicated that communication agencies are of particular importance for middle-size and small companies that conduct either continuous or occasional PA-operations, but do not have permanent presence in Brussels. Because of not being continuously present in Brussels, a firm cannot necessarily maintain its political networks there or obtain knowledge of EU policy

processes to such an extent that would be desirable. In this case the presence and readiness of a communication agency in Brussels is of high value for a firm. Using communication agency in Brussels was described as quick, straightforward, flexible and cost-efficient compared to cultivating the same PA-competences in-house. Also, for firms not having prior experience of conducting PA-management in Brussels at all, a communication agency might be the vital factor that enables the firm to get started in there. When the firm's own competences in EU lobbying increase, the firm becomes less dependent on communication agencies.

Policy processes [in Brussels] are complex and if you are not personally there at its core following what is happening, it might be really difficult to understand what is going on (Interviewee 2, business representative, bioenergy company).

A firm can acquire the same skills and expertise that communication agencies have... Yet this might be a task of years and does not happen quickly. The value of communication agencies for firms is that they have these qualities already. Each firm can calculate whether it makes more sense to send permanent representatives to Brussels or to use communication agencies... The role of a communication agency is more substantial in the beginning, but decreases when the company starts to grow its own competences (Interviewee 6, business representative, nuclear energy company).

If I am planning to visit Brussels because of some hot policy issue and I would like to know about the current political situation and who to meet there, instead of using the whole day for googling about these issues and ending up with a list with half of the people relevant and the other half not, via communication agency I can have in 30 minutes a list of the ten most important decision-makers who are working on this issue (Interviewee 4, business representative, Nordic-wide energy company).

It was recognised that communication agencies, and lobbying in general, raise somewhat negative connotations in Finnish public discussion, which is why energy firms may not wish to be known of using communication agencies. One interviewee assessed that communication agencies may have bad reputation particularly because they easily look like as paid voice purchasable by anybody, no matter what is the interest.

Communication agency might sound like a paid voice... It is quite free who can purchase their service, be it monitoring or actual lobbying. If you think about this from the point of view of a politician, one communication agency may have also conflicting messages because they

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work for clients with different interests. It might feel weird and sound like a paid voice
(Interviewee 6, business representative, nuclear energy company).

It was also acknowledged that the private PA-industry suffers from some problems that contribute to the negative image. For instance, the revolving door phenomenon raises suspicions, to say the least, and may generate conflicts of interest. The dangers of bribing and corruption were also pointed out in relation to lobbying and communication agencies.

It was noted that the culture prevailing around communication agencies is different in Brussels and Finland. In Brussels the lobbying culture is more open and the public discussion around it less 'stigmatising'. Several interviewees noted that transparency of lobbying should be increased in Finland, as has been done in Brussels, in order to generate trust towards lobbying in general and to improve its public reputation.

Conclusively, the growth in supply and utilisation of communication agencies by Finnish industries that was notified in the literature is visible also in Finnish energy sector. Communication agencies are in important supporting role for Finnish energy firms, and sometimes also for trade associations, when they operate in the EU energy policy networks. Finnish energy firms find using communication agencies in PA-operations as straightforward, flexible and cost-efficient. Communication agencies are used by energy companies of all sizes. However, whereas large energy firms are less reliant on communication agencies, they are of particular importance for middle-size and small firms that do not have permanent offices in Brussels. For those firms a communication agency may be the vital factor that enables lobbying in Brussels altogether. In this sense, communications agencies can also be interpreted as actors facilitating Europeanisation of the Finnish energy industry's PA-management. The notions that utilisation of communication agencies has grown and that they are specifically used to support individual lobbying reinforce the earlier claim of increased importance of individuality in managing European public affairs.

The findings support the descriptions by Korkea-aho and Tiensuu (2018) that the level of regulation and transparency of lobbying is drastically different between Brussels and Finland. In addition to the literature, findings imply the entire culture prevailing around communication agencies and lobbying in general is more open in Brussels than in Finland. The private PA-industry's comparatively young age in Finland and the long tradition of Finnish corporatism may serve at least as partial explanations to underdeveloped regulation and weak transparency of lobbying in Finland. When this is contrasted to the theory of democratic legitimacy of lobbying, one could argue the Finnish PA-environment is democratically less legitimate than the one of Brussels, when assessed from the point of view of institutional transparency.

5.10 NGOs, media and public discussion in energy sector

The interview data showed that regarding the EU's and Finnish government's sustainable development targets in terms of, say, promoting renewable energy or cutting greenhouse gas emissions, the general nature of energy lobbying has shifted from rejecting the objectives to accepting them. However, the question of how to reach those objectives may still spur controversy among energy industry.

The basic situation in the past has often been that industries wanted to constrain the ambitions that are written to EU directives, but now it seems the approach has changed. Instead of hindering the ambitions, the industries have become more willing to accept them, although they might disagree on the means how to achieve those targets (Interviewee 7, civil servant, TEM).

However, regardless of being more acceptive towards the environmental ambitions, the data also indicated that no particular convergence has taken place between industries and environmental NGOs during the investigation period. Instead, even if they maintain dialogue and manage to cooperate on some issues with each other, strong controversies and polarisation prevail between the two.

I do not see particular convergence has taken place between industries and NGOs. Strong contradictions prevail between the two (Interviewee 7, civil servant, TEM).

The interview data was consistent on that NGOs are well heard in the EU policy process and significant counterforce for energy industry in general. A large proportion of interviewee stressed their position has strengthened.

NGOs have gained more foothold in Brussels, and especially in energy and climate issues their position is clearly strengthening. In many ways this is justifiable. This development seems to go forward faster in Brussels than in Finland (Interviewee 4, business representative, Nordic-wide energy company).

The central role of the energy sector in combating climate change has led to high visibility of the sector in media and public discussion. The interview data was consistent on that increased public interest in the energy sector has made energy lobbying more challenging. Firms must be more cautious in their statements and engage with public discussion to larger extent than before.

The firms have learnt the hard way that they must be really cautious in their statements... They have learnt that nothing should be underestimated, even if somebody's concerns sometimes sounded a little bit illogical (Interviewee 7, Civil servant, TEM).

The degree of citizen activism has increased... This relates to energy sector and lobbying because they must be taken into account differently than before... Their status in the whole field has strengthened and sometimes people trust them even more than they trust public authorities. The field has changed in a sense that there do not exist authorities anymore whose statements are automatically accepted by the public, but everything must be discussed (Interviewee 3, business representative, electricity and district heating company).

Although many of the interviewees deemed the NGOs' position in policy process as justified, the reliability of their arguments or fairness of their working methods were often questioned.

The Commission has started to incorporate NGOs to its policy process and treats them as experts, which is of course good per se, but there prevail varying views even within the Commission on whether the NGOs always represent objective views and whether their proposals are of such a quality that they can be taken into account by 'copy-and-paste' method. This debate has been notified by people who spend lots of time in Brussels (Interviewee 5, business representative, Nordic-wide energy company).

[Strong presence of NGOs] affects to lobbying, of course, and brings its own challenges. For instance, our PA-management must be based on facts in order to be reasonable. It might appear as not so fast paced on the outside, because we have to investigate and calculate issues before we act. The NGOs, on the other hand, have much higher degree of freedom in this. They may comment upon issues based on feelings, and if they deem some issue as bad per se, not the same arguments are demanded from them. The playing field is a little bit different for us and the NGOs (Interviewee 10, trade association).

Interview data expressed concerns also regarding the broad media coverage.

[High public visibility is] both good and bad. Bad because reporters may have either adequate or inadequate understanding of the firm or the sector. They may be either busy or they may have plenty of time finish the story. They may also have prejudices. Sometimes it is even painful if writings are erroneous, incomplete or presented out of context. This surely applies to every sector though. Yet broad media coverage at least keeps this sector interesting, that is for sure (Interviewee 6, nuclear energy company).

The data expressed also technocratic tendencies implying that actors outside the energy sector are not necessarily always competent to comment upon energy affairs. The problem of emotions and feelings getting intermingled with facts in public discussion was also a reoccurring theme in interview conversations.

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Also, there are lots of feelings around that get mixed with facts and technical issues. Others talk from technical point of view, while other are more emotive (Interviewee 3, business representative, electricity and district heating company).

Couple of interviewees noted that truth is a somewhat elusive concept in general, also in the energy sector.

In this current world largely influenced by social media, the first question is of course what is the truth, if even scientists themselves have debated a lot over what are the real effects of direct and indirect land-use change to the environment... Scientists obtain very different results also when calculating the size of Finland's carbon sinks. That does not really sound like natural science either (Interviewee 7, civil servant, TEM).

The elusive nature of truth is even more prevalent when talking about lobbying.

I would say lobbyists are really good experts in their field, however, you must always keep in mind who pays their salaries. They differ from independent experts in that sense. For instance, in labour market negotiations there are two opposing organisations that have exactly the same statistical data at their disposal. However, they can still present that data differently to each other and to the mediator by interpreting it differently, for instance, by applying different scales to the data etc. Lobbyist always presents his/her own perspective on the issue, and a skilful lobbyist knows how to utilise different tools and methods in this conduct (Interviewee 8, civil servant, Energy Authority).

Conclusively, the findings demonstrate that environmental NGOs are well-heard and that their position in the EU energy policy process has strengthened. This finding adds up to Ruostetsaari's (2010) notion that public opinion has gained more foothold in energy policy during the 2000s. The trend seems to have continued in the 2010s. Secondly, the findings support Bouwen's (2009) notion that the Commission actively shapes its stakeholder consultation into less business-dominated direction. Thirdly, the findings demonstrate that the EU policy process in energy sector reflects, as Coen and Richardson (2009b) argued, pluralist tendencies that allow interest organisations with significantly lower financial resources to achieve highly successful lobbying results when compared to well-resourced business interests.

In addition, the nature of Finnish energy lobbying has shifted from being rejecting to being more compliant towards ambitious sustainable development targets. However, there still prevails high level of polarisation between industries and environmental NGOs. Although the industries see the NGOs' strong position as justified, distrust is expressed towards them. NGOs are often accused of presenting incomplete, erroneous and prejudiced arguments. Similar concerns prevail towards

reporters who may publish erroneous stories due to preconceived attitudes, or due to short resources in terms of time and expertise. It was a common concern that emotions get mixed up with facts in public discussion. These findings fit to the Ruostetsaari's (2010) notion of technocratic nature of the energy sector. Overall, broad media and public discussion complicates energy lobbying. Industries must be in constant readiness to publicly defend their positions and be more cautious in their statements than before. These findings support the argument by Lounasmeri and Kantola (2014) on the emergence of promotion culture in which publicity is unpredictable and more difficult to manage than before.

Reflecting this to the theory of Europeanisation, the EU has evidently acted as an active and effective agent in Europeanisation of PA-management of environmental NGOs by providing them with both material and immaterial resources at the EU level to exploit new opportunity structures. Environmental NGOs, as rational and goal-oriented agents, have evidently made use of these resources.

6. Conclusions

This research's aim was to find out, first, what has been the effect of European political and economic integration, in terms of the emergence and expansion of EU, to the Finnish energy industry's PA-management and, second, what are the explaining political, economic and other factors behind the change. The focus of research was placed upon four different aspects of change: (1) changes in the importance and magnitude of lobbying, (2) change in the functioning of policy networks, (3) change in the role of NGOs and public discussion, and (4) changes in the special characteristics of energy sector from the point of view of lobbying. In terms of time period, the focus of research was 2010-2020 because the findings then adequately build upon the previous literature on the subject. Twelve qualitative interviews with Finnish energy elite constituted the new empirical material of the research. The interview conversations were analysed by contrasting them to the analytical framework consisting of theoretical and empirical parts.

Europeanisation of Finnish energy policy has led to growing interconnectedness of the energy sector to other policy sectors, most importantly to the environmental and climate policy. In the 2010s the interconnectedness has also grown to sustainable financing, forestry and agriculture. Overall, EU regulation affecting the energy sector has increased and is expected to increase in the future. The sector is undergoing a transformation and its boundaries are in flux. To reduce the increased political risk in the sector, industries must provide decision-makers with information that supports good governance. In addition, industries compete increasingly with each other over influence, because the

playing field has expanded and diversified. In consequence, importance of lobbying has clearly grown during the investigation period, which has also led to growing magnitude of lobbying. In addition, Finnish energy industry's PA-management has become more systematic, EU-oriented and proactive during the research period. This trend may continue in future as the EU's regulation on energy sector is expected to increase.

The basic structure of Finnish energy industry's policy networks in Finland has remained same from the 2000s. Ministries are lobbied more than the Eduskunta, and TEM is lobbied more than other Ministries. Civil servants remain as the central lobbying targets, yet it is still important to be in contact also with the Minister especially in large policy packages when political leadership is stronger and public attention greater. Similar logic seems to apply also to the Eduskunta – when the policy issue attracts more political and public attention, such as RED II attracted for example, also Finnish parliamentarians are increasingly lobbied.

Both firms and trade associations keep lobbying via formal and informal routes. Whereas industries' interaction with decision-makers via direct and informal channels had grown during the 2000s, the research found this development has not continued in the 2010s. However, the research found that informal and individual meetings are preferred over formal and collective ones when policy issues are talked in more detail, especially if strong controversies prevail in the sector.

The research found that trade associations, which are few in number, are very central policy actors in Finnish energy politics. Also, economic interest groups seem to be overrepresented in the government's working groups in comparison to impartial interest organisations. These notions imply prevalence of routine corporatism in Finnish energy politics. However, this argument remains suggestive as the data does not show what is the exact level of competition, openness and integration in the system. Regardless of routine corporatism, however, increased lobbying via EU channel alongside national channel implies increased openness and pluralism of policy networks in overall picture.

The research found that the PA-environments of Brussels and Helsinki are very different to each other. Regardless of Europeanisation of Finnish politics and economy, the industries' policy networks in Finnish interest representation system have retained some traditional Finnish characteristics: simplicity, openness and proactive stakeholder involvement by the state. This reflects prevalence of the long tradition of consensus culture, corporatism and involvement. On the other hand, the EU's interest representation system is fast-paced, complex, interest-crowded and diverse. In contrast to

Finland, one's own initiative, resources, expertise and networks play more important role in Brussels in gaining access to policy formulation.

The level of regulation and transparency of lobbying is drastically different between Brussels and Finland. In addition to regulation and transparency, the entire culture prevailing around communication agencies and lobbying in general is more open in Brussels than in Finland. The comparatively young age of private PA-industry in Finland and the long tradition of Finnish corporatism perhaps serve as at least partial explanations to underdeveloped regulation of lobbying and low level of transparency around it. However, the low level of transparency around lobbying in Finland suggests that Finnish PA-environment reflects undemocratic tendencies.

The basis of Finnish energy industry's policy networks in the EU has also remained the same from the 2000s. Even though the Commission remains as the main lobbying target for Finnish energy industry, the industry's attention towards the EP has grown during the investigation period. Moreover, the personal contacts of Finnish lobbyists in Brussels have become more international.

Some Finnish trade associations are permanently present in Brussels, while those that are not manage their European affairs from Finland and conduct short visits to Brussels whenever needed. Cooperation with European federations still forms the backbone of Finnish trade associations' PA-management in the EU. Federations are valuable for trade associations because they are well resourced, permanently present in Brussels and provide good access to the Commission, whereas prospects for influencing are smaller outside them. Lobbying via federations is supplemented by direct lobbying, either alone or in cooperation with other trade associations, either with Finnish or foreign ones. The Finnish Forest Industries stood out as particularly active direct lobbyist due to its somewhat diverging interests with its European federation.

In addition to trade associations, also energy firms practice direct lobbying individually or in business coalitions. Trade associations and European federations provide very cost-efficient and relatively effortless way for Finnish energy firms of all sizes to manage their European public affairs. However, the difficulty of associations is that their policy positions are negotiated compromises, because they represent the industry sector as a whole. An issue might be left out of the association's agenda either because the association does not reach consensus on it, or simply because it might just not be of priority for the organisation as a whole. When lobbying directly, a firm can formulate its messages into more specific and concrete form. However, direct lobbying is more resource-intensive and thus often supplementary to collective route. The decision to engage with direct lobbying is based on the calculation of its necessity and costs. Often large and international firms are more inclined to

continuous direct lobbying due to their more versatile interests and larger resources, whereas middle-size and small firms do it on a more occasional basis, if at all.

Sometimes disagreements within trade associations are of such difficulty that the association is dissolved altogether. Dissolution of the Finnish Petroleum and Biofuels Association and disagreements in forest and chemical industries regarding biofuel production imply that biofuel sector is a particularly antagonistic sector where finding consensus is difficult. Even though big controversies such as the one of pine oil are generally exceptional, their number has grown during the investigation period and might continue to do so. This is explained by continuing advancement of new technologies that change industrial prospects of raw materials and by growing political interest towards sustainable production processes.

The research also found that power relations in trade associations are unequal in terms of voting power and resources to participate in the association's work. In effect, resourceful energy firms have better prospects to shape the political views of associations.

Only a minority of Finnish energy firms conduct direct EU lobbying, and even less are continuously present in Brussels. However, the largest firms have more extensive lobby organisations in both Brussels and Helsinki than trade associations themselves. More importantly, the research showed that the trend of direct business lobbying challenging traditional collective action has continued during the investigation period and is expected to continue in the future. Firms increasingly feel that the collective route alone is not an adequate means to effectively look after their interests. The research also showed that the trend of collective lobbying taking increasingly form of ad hoc issue-based alliances with like-minded firms, instead of trade association or coalition with national stakeholders, has continued in Finnish energy lobbying during the investigation period, and may continue in future. Especially collaboration with Nordic stakeholders comes out naturally.

Energy firms' grown interest in conducting PA-management outside trade associations either individually or in issues-based coalitions with partners also beyond national borders indicates a step away from corporatism and Finnish consensus culture. In other words, policy networks continue opening up. They are becoming more international and competitive, while the actors' movements in those networks have become to embrace more flexibility, pragmatism and broad-mindedness.

The research showed that the growth in supply and utilisation of communication agencies among Finnish industries is visible also in Finnish energy sector. Communication agencies are in an important supporting role in Finnish energy firms', and sometimes also in trade associations', PA-

operations in Brussels and Helsinki. Finnish energy firms find employing communication agencies in PA-management as straightforward, flexible and cost-efficient. Communication agencies are used by energy companies of all sizes. However, whereas large energy firms are less reliant on communication agencies, they are of particular importance for middle-size and small firms that do not have permanent offices in Brussels. For such firms a communication agency may be the vital factor that enables their lobbying in Brussels altogether. In this sense, communications agencies can also be interpreted as actors facilitating the Europeanisation of Finnish energy industry's PA-management. The notions that utilisation of communication agencies has grown and that they are specifically used to support individual lobbying reinforce the earlier claim of increased importance of individuality in managing European public affairs.

The research found that environmental NGOs have remained as well-heard in the EU policy process and that their position has even strengthened during the investigation period. This reinforces the argument that the Commission actively shapes its stakeholder consultation into less business-dominated direction. The finding also shows that the EU energy policy process reflects pluralist tendencies by allowing interest organisations with significantly lower financial resources to achieve highly successful lobbying results when compared to well-resourced business interests.

The nature of Finnish energy lobbying has taken steps towards more compliant attitude regarding ambitious sustainable development targets. However, there still prevails high level of polarization between industries and environmental NGOs. Although the industries see the NGOs' strong position as justified, distrust is expressed towards them. NGOs are often accused of presenting incomplete, erroneous and prejudiced arguments. Similar concerns prevail about reporters who may publish erroneous stories due to preconceived attitudes, or short resources in terms of time or expertise. The research showed it was a common concern among the energy elite that emotions often get mixed up with facts in public discussion. These findings reinforce the notion of technocratic nature of the energy sector. Overall, broad media and public discussion complicates energy lobbying. Industries must be in constant readiness to publicly defend their positions and be more cautious in their statements than before, which reflects characteristics of promotion culture in which publicity is unpredictable and more difficult to manage than before.

The research's findings consistently reinforce the understanding of the EU as an elite pluralist interest representation system. The PA-environment is complex and competitive, and the firm's access to policy formulation is highly determined by its resources, expertise and networks. This is not applicable only to individual firms, but also to trade associations that must compete with other interest

organisations over meaningful access to EU policy formulation. Resourceful organisations are better capable of conducting direct lobbying outside the association and also shaping the association's agenda. This translates into greater access and representation of large firms and thus biases in policy process. From the point of view of theory of democratic legitimacy of lobbying, the elite pluralist nature of the EU interest representation system conflicts with principles of equality, openness, fairness of political participation. In this respect, the EU interest representation system reflects some undemocratic tendencies.

The theory of Europeanisation explains the causal mechanisms of Europeanisation of Finnish energy industry's PA-management. Europeanisation of Finnish energy policy has led to increasing level of EU regulation in the energy sector. Increasing EU energy regulation produces 'misfit' between European and domestic level processes because the industry's old lobbying practices designed for domestic policy processes become incapable of securing the industry's interest in the new European environment. This misfit produces adaptational pressure. The Finnish energy industry's increasing lobbying efforts in the EU prove that the industry has reacted to the adaptational pressure. The industry's action follows the logic of consequentialism – it calculates that exploiting the new European opportunity structures helps it to further its interest cost-efficiently. Logic of consequentialism also explains the increasing importance of individuality in Finnish energy industry's PA-management. Firms are rational and goal-oriented agents that engage in self-interested strategic interactions by weighing the cost and benefits of interaction. A firm engages with direct lobbying operations if it believes that action produces more benefits than costs, which is often the case.

Europeanisation of Finnish energy industry's PA-management is stimulated by the EU itself, as the EU provides domestic actors with resources to exploit the new opportunities by granting them with access to policy formulation process. Particularly large resources have been addressed to environmental NGOs. The Finnish government's active engagement with societal stakeholders at domestic level can be interpreted as an attempt to provide veto points in a country's organisational structure that hinders Europeanisation of Finnish energy industry's PA-management. However, those veto points are not substantial enough to help the industries to resist the adaptational pressure. Europeanisation has led to differential empowerment of actors, as some organisations are more capable of exploiting the new opportunities and avoid constraints. Resourceful firms have become more empowered than poorly resourced firms, and the industries have become less dependent on the Finnish government due to their capability of engaging directly with the EU.

The rather small size of the interview sample poses some limitations to the findings of this research. The conclusions have a firm basis in the data, however, testing the conclusions against a larger interview sample would strengthen their plausibility. Also, the conclusions could be supplemented and strengthened by conducting quantitative research on the subject.

Broadening the research sample would also allow gaining a deeper understanding of the differences between various sub-sectors within the energy sector. For instance, finding out about possible disparities in the nature, importance and magnitude of lobbying between, say, renewable and fossil fuel sectors would provide valuable insights of energy lobbying in Finland.

The research data did not adequately show to what extent can the Finnish energy policy process be considered as corporatist. This suggests that routine corporatism in Finnish energy politics, and in Finnish politics in general, should be more researched. This leads us to another suggestion for future research, which is transparency and regulation of lobbying in Finland. The interview conversations did not exhaustively address how the Finnish energy elite relates to transparency and regulation of lobbying. More research should be conducted on this subject. In addition, regulation and transparency of lobbying should be more researched from the point of view of the Finnish public in general, as the public discussion regarding democratic legitimacy of lobbying is by no means over in Finland.

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Interview resources (author possesses the recordings and transcribed texts)

69. Interviewee 1, business representative, bioenergy company
70. Interviewee 2, business representative, bioenergy company
71. Interviewee 3, business representative, electricity and district heating company
72. Interviewee 4, business representative, Nordic-wide energy company
73. Interviewee 5, business representative, international energy company
74. Interviewee 6, business representative, nuclear energy company
75. Interviewee 7, civil servant, Ministry of Employment and Economic Affairs (TEM)
76. Interviewee 8, civil servant, Energy Authority
77. Interviewee 9, business representative, communication agency
78. Interviewee 10, trade association
79. Interviewee 11, trade association
80. Interviewee 12, trade association